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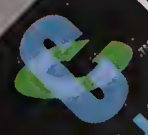
Get out of your office and talk **face-to-face** with your customers. Bring back ideas for new products and better systems. 36

BY KIM S. NASH

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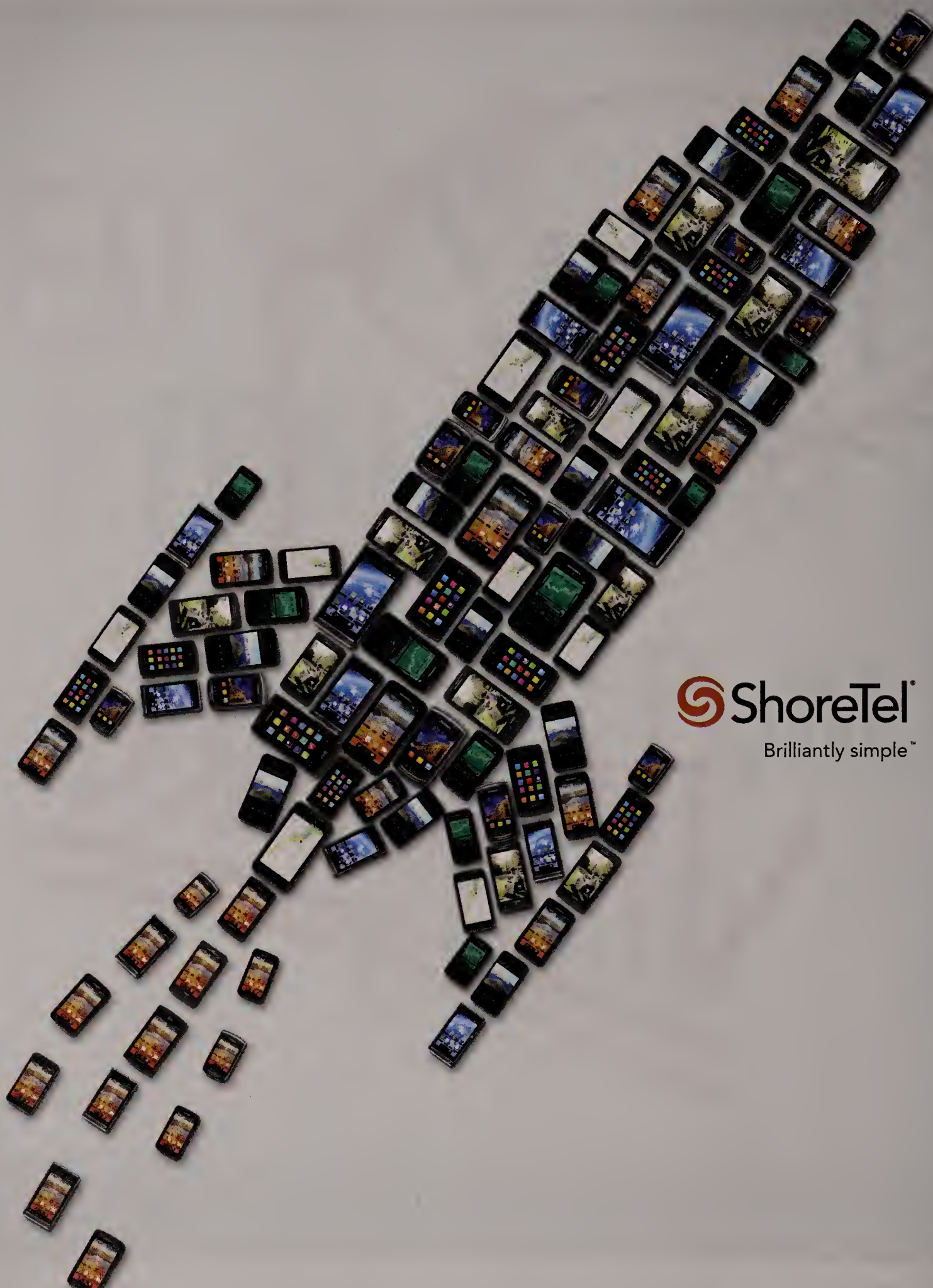


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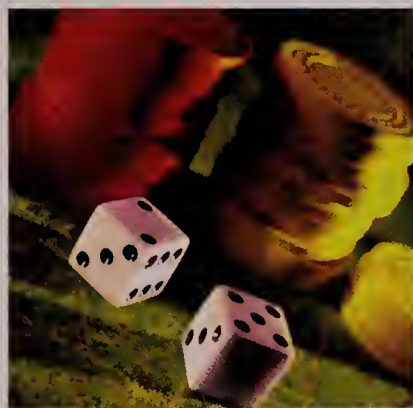
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COVER STORY Get out of your office and talk **face-to-face** with your customers. Bring back ideas for new products and better systems.

BY KIM S. NASH

Supervalu CIO **Wayne Shurts** says he works in stores to look for ways to improve the overall customer experience.





FROM THE
EDITOR IN CHIEF

start

Get Out More

Set down your devices. Step away from that keyboard. Unplug from your social networks. Let's revisit the basics of face-to-face (F2F), one-on-one human connection.

At the risk of sounding retro, I'll take an F2F conversation over a digitized exchange any time. A real smiling face sends a more nuanced, genuine message than any string of emoticons ever could. No wonder the subject of our cover story ("Customers F2F," Page 36) made me want to stand up and cheer.

CIOs are notoriously office-bound and internally focused on IT operations, as our recent State of the CIO research showed. Only 9 percent of nearly 600 CIOs we surveyed were spending any time studying market trends and customer needs—and probably far fewer are getting out to visit customers.

Yet the desire for customer outreach is simmering away on your back burners. Nearly one-third of you told us that paying attention to customers will become a much bigger part of your job in the next three to five years. My question: What are you waiting for?

Our story serves up a simple five-point to-do list for ramping up customer contacts, and it promises immediate rewards, such as fresh ideas and new insights into where IT can improve the business. We detail specific examples from companies such as Automatic Data Processing (ADP), Supervalu, Brandywine Realty Trust, Maple Leaf Foods and PNC Financial Services Group. CIO Michael Capone of ADP, for example, tries to spend 20 percent of his time in the field. His department doesn't wait for the business to devise strategy for IT to enable, he points out. "We help envision what's possible with technology."

At grocery retailer Supervalu, CIO Wayne Shurts and other senior execs work in the stores twice a year. "When I go to a store, I'm not looking only at IT. The customer doesn't think of the store as a technology experience," he notes. "I'm looking for ways to improve the overall experience, whether that includes IT or not."

If getting out among customers isn't practical in your industry, another great resource to tap into is your own network. CIO Jeff Hutchinson of Maple Leaf Foods lunches out with the IT chief from his company's biggest customer, swapping leadership tips and industry info.

So start making time and stop making excuses. Get out there.

Maryfran Johnson, Editor in Chief, *CIO Magazine & Events*
mfjohnson@cio.com

CHATTER

Mo' Mobile, Mo' Money?

Though the **consumerization of IT** has created some **headaches** for IT departments, there is a positive side. According to new research from Bluewolf, an IT staffing firm, **salaries for IT professionals** should **increase** as a result of this trend. Senior Features Writer Meridith Levinson found that IT workers skilled in developing **applications** and adapting them to **mobile devices** are few and far between. One expert from Bluewolf says that workers with those skills have the **upper hand** in negotiating their compensation, and IT hiring at **Fortune 2000** companies is picking up. www.cio.com/article/699113

Future of Facebook Pages

Businesses have been using Facebook for **online marketing** and have been able to create **one-stop shops** for company information. What does this mean for **traditional company websites**? Contributor Vangie Beal says Facebook alone won't be enough for large companies, but it may be just the thing for **small businesses and entrepreneurs**. Beal says that since **coding skills** aren't needed to create a Facebook page, neither are **IT experts**. www.cio.com/article/699224

Going For-Profit

IDG Enterprise Chief Content Officer John Gallant talked with **Underwriters Laboratories CIO** Christian Anschuetz about the company's recent transformation **from a nonprofit to a for-profit company**. Anschuetz says the company is focused on **modernizing its infrastructure** and is wary of **big data**. As Anschuetz says, "if you have big data and you don't have big discretion, you are going to fail miserably." www.cio.com/article/698876

Compiled by Editorial Assistant Lauren Brousell. Have a comment about a story in this issue? Go to www.cio.com/issue/20120301 or write to letters@cio.com.

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FROM THE **CEO**

Thinking Like Jobs

I just finished reading Walter Isaacson's biography of Steve Jobs, a fantastic read about one of the most fascinating people of our time.

While there are many things you might question about Jobs' approach, you can't argue with his ability to understand and deliver a beautiful intersection of design and technology (what he called "humanities and science"). What makes Apple's products so compelling is the way they serve up complex technology in a simple design, which drives consumer engagement and leads to brand loyalty.

Of course, if doing what Steve Jobs did was so straightforward, it would be easy enough to emulate his success. But I do wonder how many CIOs are really thinking about design factors when they're developing or buying IT products and services.

For the longest time, IT leaders and industry pundits have talked about empowering people with a more intuitive user interface (UI) and greater ease of use. Now, as consumer technology infiltrates the enterprise, we're all done with the wishful thinking. It's a demand, not a request.

But delivering a good-to-great UI is no longer the standard to meet. The new objective is user engagement. You'll notice more and more emphasis on engagement from the vendor community as your suppliers roll out products designed to deliver richer user experiences to colleagues, customers and partners. It is this customer ecosystem that wants deeper engagement while leveraging automation. Incredible technology married with clean design will heighten usability and adoption—thus increasing IT's relevance.

Delivering technology on time and on budget is so 20th century. On time, on budget and *on value* is the new normal, and user engagement is one of the doors we must unlock to get there. The most effective way to enable and improve engagement is through elegant, thoughtful product design.

How many times have IT operations rolled out a new business application or system only to find that people can't use it because it's too complex? So what do these experiences teach us that we can apply to our own IT organizations? Are we pushing our teams to embrace the art of simplicity and empower the user? Are we spending time on design in all elements of the project?

Jobs focused just as much on the design of a product as he did on the technology. Shouldn't we be doing the same?

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Spring Cleaning

The average executive **wastes six weeks every year** searching through papers, according to certified professional organizer Ellen Delap. Here are three of her tips for maintaining an organized office.

- 1 Have a dedicated spot for unprocessed paper and spend five minutes each day sorting, shredding, recycling or filing that pile.
- 2 Add a drop box to your office so coworkers have a place to deliver printouts other than leaving them on your desk.
- 3 Only keep the tools you use every day on the surface of your desk. Store everything else in drawers.

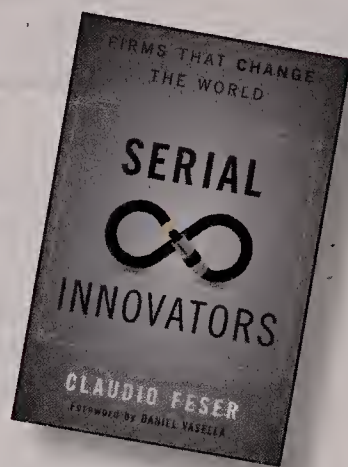
—Meridith Levinson



For more tips, see: www.cio.com/article/689818



WORTH READING



BOOK **Serial Innovators** By Claudio Feser

When companies like Pan Am, Gulf Oil and Enron collapse, slow adaptation is often to blame. Feser's book covers peripheral factors—sociological, psychological and economic—that contribute to such problems. He also shares his framework for becoming an innovative organization able to survive market changes. *Wiley, \$34.95*

quick FIX



How can I stay relevant in various social media channels without it taking up my whole day?

ALWAYS keep your profiles on social media sites up to date. Potential clients and vendors, and other professionals may use that information when trying to do business with you. They are seeking points of mutual interest and experiences they have in common with you to facilitate conversations and avoid small talk. Share areas of expertise that you hope to be asked more about. Additionally, head hunters and potential employers do a lot of their research online; an out-of-date profile can lead to a missed opportunity.

SOMETIMES post status updates. Having a profile but never participating in the community by sharing updates is like not being present at all. You also miss out on the value of using social media to build your professional brand when you're out of sight and out of mind. So occasionally share some good news or a link to an interesting article. How often? Posting a minimum of twice a week and a maximum of once a day will allow you to remain visible to your network without having to live on social media.

NEVER get involved in petty arguments or engage in heated political debates. It's fine to share opinions, just be sure to be respectful of those with different points of view. As a business professional, there's no line between who you are on and off the clock. Engaging in conversations that might offend customers, prospects or potential employers will come back to haunt you.

Thom Singer is a corporate trainer and professional speaker who regularly works with CIOs and their IT teams. Contact him at www.thomsinger.com.

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When More Gadgets Means Less Stress

Special technology has helped this high-flying exec find inner calm and perform better **BY MERIDITH LEVINSON**

In 2005, at age 32, Dave Asprey realized he was literally working himself to death. He was serving as director of product management at NetScaler, a fast-growing Silicon Valley startup being acquired by Citrix, and he was smack in the middle of integrating the companies' product lines. He worked 60 hours a week, checked email on weekends, and travelled at least once a month from California to Florida.



I managed my body as a complex system, just as a systems administrator would.

Asprey didn't mind his jet-set life. In fact, he thrived on it (or so he thought). He was thrilled with his career growth, but the pressure to keep up with work, the Internet and email was overwhelming him.

"I started to get more and more stressed because I couldn't keep up," he says. Asprey sought medical help that involved a saliva test to measure stress hormone levels in the body. The test showed his levels were nearly four times those at which people typically first report stress-induced symptoms such as lack of focus and difficulty sleeping. He also had frequent headaches, upper back pain and a clenched jaw. He was bone tired and increasingly

forgetful and irritable.

Brain imaging revealed Asprey was so stressed that his prefrontal cortex, the part of the brain that performs logic, had shut down.

"I was high-performing, but I could tell it was costing me," says Asprey. Yoga and meditation were recommended to help, and when they didn't, Asprey did what any IT guy might: he bought a gadget.

The device, called emWave, measures heart rate variability through a sensor attached to the earlobe. Lights blink red when the changes in time between heartbeats indicates stress, anger or frustration. Blue lights mean a more "coherent" physical and emotional state. Green

signifies relaxation and that major body functions are in harmony.

"I could never tell if I was meditating right," says Asprey. "When I had a device that would blink green, I felt like I was doing application-performance monitoring, except on myself."

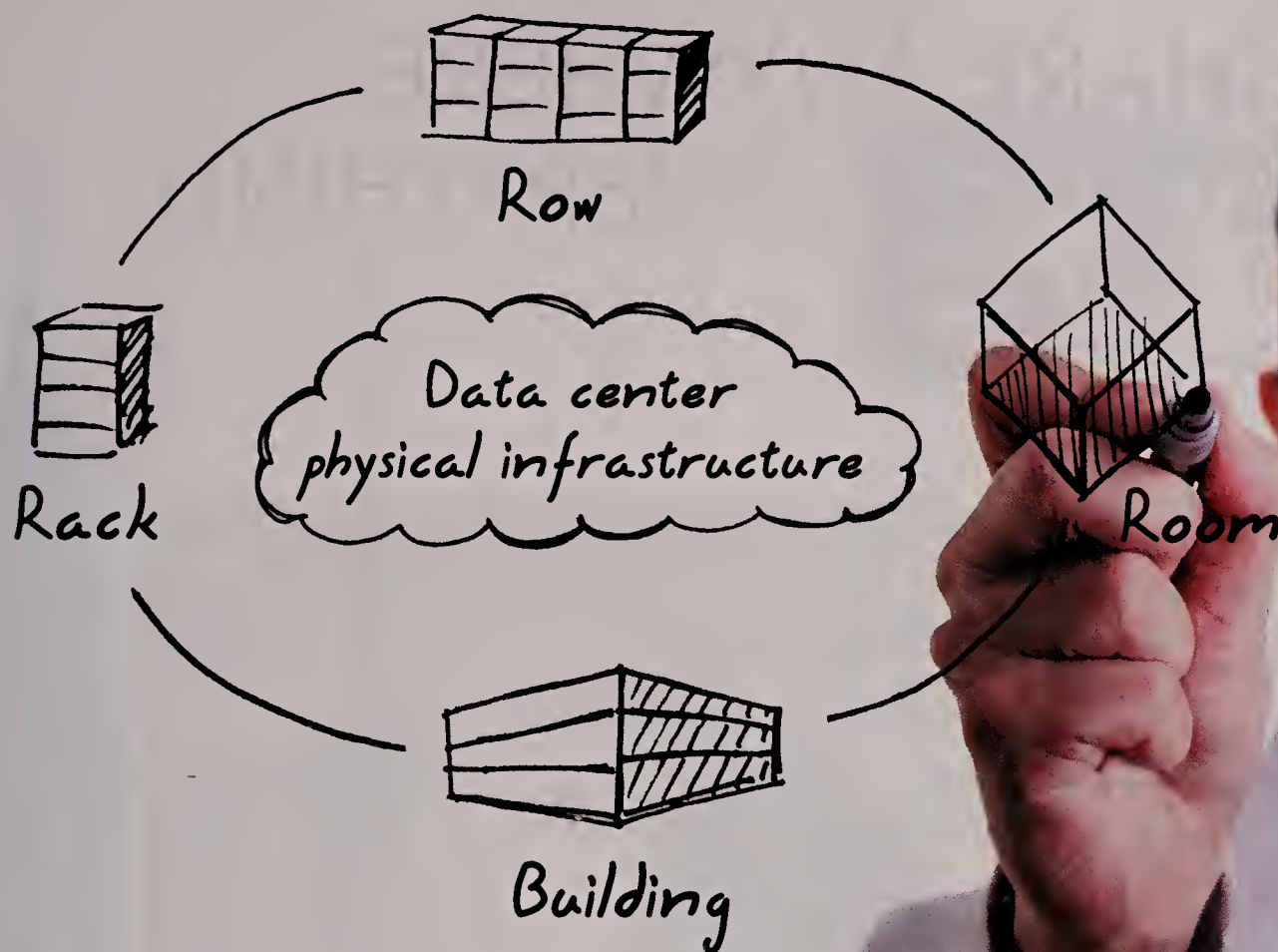
Asprey began using the emWave in concert with a breathing technique for 30 minutes each day. After just the first session, he says, he felt better. After two weeks, he was sleeping more soundly and the dread he used to feel when he checked his email disappeared.

"I'm trained in how to deal with complex systems, so I started managing my body as a complex system, just as a systems administrator would," says Asprey. "It gave me a daily process I could run, just like a Cron process on a Unix server. I could look at my performance and say, 'Can I optimize it?'"

The emWave alone won't help you better manage stress. But the instant feedback can facilitate faster learning of stress-busting breathing techniques. For Asprey, it was the single piece of technology that allowed him to stay plugged in to all the others required to do his job.

"I perform better because I spend a few minutes tuning in to my own internal computer systems rather than letting them run themselves," he says.

CIO.com's Senior Features Writer Meridith Levinson can be reached at mlevinson@cio.com.



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13

One-Stop Virtual Shop

3D store-simulation technology can predict customer behavior and increase sales **BY CINDY WAXER**

There's nothing coincidental about the way grocery stores display and price their merchandise. Focus groups used to be the go-to resource for such market research, but today manufacturers like beverage behemoth PepsiCo find virtual simulation technology to be the cheaper, faster option.

When Pepsi was trying to decide whether it was more profitable to offer one sale price for several bags of Frito-Lay chips (a practice called multiple pricing) or individually priced bags at a discount, the company used Decision Insight's SimuShop, a 3D store-simulation technology, to allow a select group of consumers to "shop" the aisles of a virtual grocery store. The research showed that grocery retailers sell 23 to 30 percent more merchandise using multiple pricing.

"It seems like a simple idea, but it has huge implications for the business," says Michelle Adams, vice president of shopper insights at Pepsi.

Store simulators from vendors such as Decision Insight, InContext Solutions and VR Intelligence are now relied on to increase sales and better target consumers because they've become eas- ▶▶▶

.....**90%** People who have left a website because they forgot their login information. Janrain**60%** Workers, not including IT workers and executives, who have yelled at their computer due to frustration with software. TrackVia

►► Virtual shopping Continued from Page 13

ier to use. For years, these tools were a secret weapon sequestered in market research labs. "The technology was so sophisticated you needed powerful computers in order to load the software," says Adams.

Today consumers can run simulations right from their home computers via a secure virtual shopping site. Each click of the mouse is recorded, charting respondents' product selection process for future analysis. This data can also be combined with survey responses or general comments for greater insight into consumers' behavior.

As a predictive tool, store-simulation technology is considerably less expensive and time-consuming than focus groups and telemarketing, thereby cutting the time to market of new product lines. But mimicking the emotions and experience of bricks-and-mortar shopping isn't foolproof.

"The biggest challenge is keeping the [virtual] store as current as possible," says Adams. "Pricing changes, competitors come and go, new products are launched. Yet the store must represent reality."

Security is also a concern. Adams says participants are provided a unique link that cannot be passed on to another user. "This prevents them from entering a survey after the fact or referring it to someone else," she says. "Even if a competitor were to get a hold of a survey, they wouldn't know what we are actually going to do [with the information]," says Adams.

Jerry Sheldon, an analyst with retail research firm IHL Consulting, also points out that while it's convenient to have participants use their home computers to test shopping scenarios, "you're assuming the respondent is who [they] told you they are, not [someone] from a different demographic."

And there's no telling what other distractions—television, quarreling kids—might be competing for the respondent's attention. So Adams says SimuShop tracks average completion time and outlier behavior. If something unusual is detected, that respondent's survey is dropped from the data set.

Cindy Waxer is a freelance writer based in Canada.

crunch

The Tech Skills in Greatest Demand

CIOs project an uptick in hiring during the first quarter of this year, especially in the retail industry, but **73 percent** say they're struggling to find certain types of IT workers in the following fields:

- 1. Networking**
- 2. IT security**
- 3. Application development**
- 4. Data management**
- 5. Help desk, technical support**

SOURCE: ROBERT HALF TECHNOLOGY SURVEY OF 1,400 CIOs, DECEMBER 2011



Spanish Bank Gets Cloudy

Banco Bilbao Vizcaya Argentaria (BBVA) is adopting Google Apps for email and collaboration and expects to have about 110,000 employees worldwide using the suite by the end of this year.

The rollout will start in the bank's home base, Spain, where it has 35,000 employees, and it will continue in more than 26 other countries.

When completed, BBVA's implementation of Apps will be the largest ever for Google's cloud-based communication and collaboration suite, which includes applications such as Gmail, Calendar, Sites, Docs and Talk.

Jose Olalla, BBVA's CIO, said in a blog post that the bank's goals in moving to Google Apps are to help employees collaborate better, be more efficient and "transform our business operations."

Olalla continued: "Integrating the Google Apps for Business suite with our own tools will allow us to introduce a new way of working where employees have access to all the information they need with just one click, no matter where they are or what kind of device they use, and can reap the benefits of using advanced collaboration tools."

—Juan Carlos Perez

.....↑ **100%** Spending on digital political ads since the 2010 elections. Strata **20%** Facebook users exposed to malware. Zone Alarm **63%** U.S. households that spend 35% more on technology bills than on utility bills. iYogi Insights

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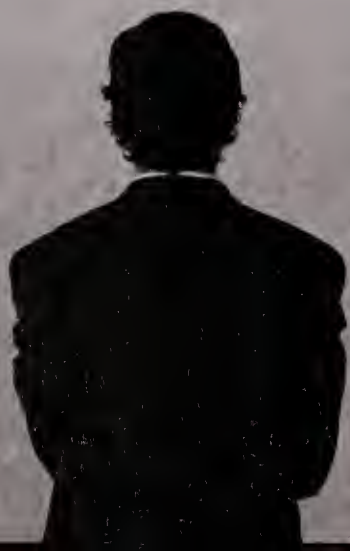
A major retailer reduced the time it takes to optimize store-specific pricing each week from 30 hours to 2.

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A Lifeline to Seniors at Home

BY STEPHANIE OVERBY

THE PROJECT :: Implement in-home digital wellness devices to provide remote support for seniors.

THE BUSINESS CASE :: Stephen Hopkins joined Evangelical Homes to launch support programs for older adults living at home. The company is one of five such providers nationwide. As vice president of wellness and home-based solutions, his task was to hire new people, such as lifestyle coaches, and introduce new systems to run a virtual retirement community. "When you're serving people an hour or two away," he says, "technology becomes an important tool to intervene in an effective way."

Evangelical Homes became the first customer of Connect, a wellness device developed by joint venture Intel-GE Care Innovations. Connect enables professional caregivers to remotely access healthcare data that is entered by the client.

FIRST STEPS :: Evangelical Homes installed 30 Connect devices in 2010, tweaking the content—wellness surveys, brain fitness games, medication reminders—to suit the independent senior. "What was most important," explains Hopkins, "was whether the platform was interesting enough that older adults felt compelled to use it every day."

Evangelical Homes built trust by arranging visits by wellness coaches before installing the devices. "We invested early on in relationship work, because it's not just about the tool but about seeing us as partners," says Hopkins. Privacy was also important. "We were very transparent about where this information was going, who would see it, and our adherence to confidentiality," says Hopkins.

Within a month, everyone used the device daily and answered the medical questions honestly. "It's no good if they're giving us canned answers," Hopkins says. For

example, a user reporting chronic stiffness may be limiting his movements for fear of falling, a risk factor that his wellness coach could then address.

"It was so important to figure out how you place a piece of technology into someone's home and get them to engage with it, instead of using it as coat rack or putting it on the counter and dusting it once a week," says Evangelical Homes CEO Denise Rabidoux. All testers opted to keep the Connect device.

Evangelical Homes installs five new devices monthly and is encouraging competing nonprofit providers to use them, too. "There are enough older adults to keep all of us busy," Rabidoux says.

WHAT TO WATCH OUT FOR :: The Connect device is easy to install, but it has drawbacks. "It doesn't cover the landscape of information that you need to capture to provide service to older adults," says Hopkins. And it can't integrate with other applications. A caregiver with a case load of 10-plus patients has to juggle several other tools to get a complete client picture.

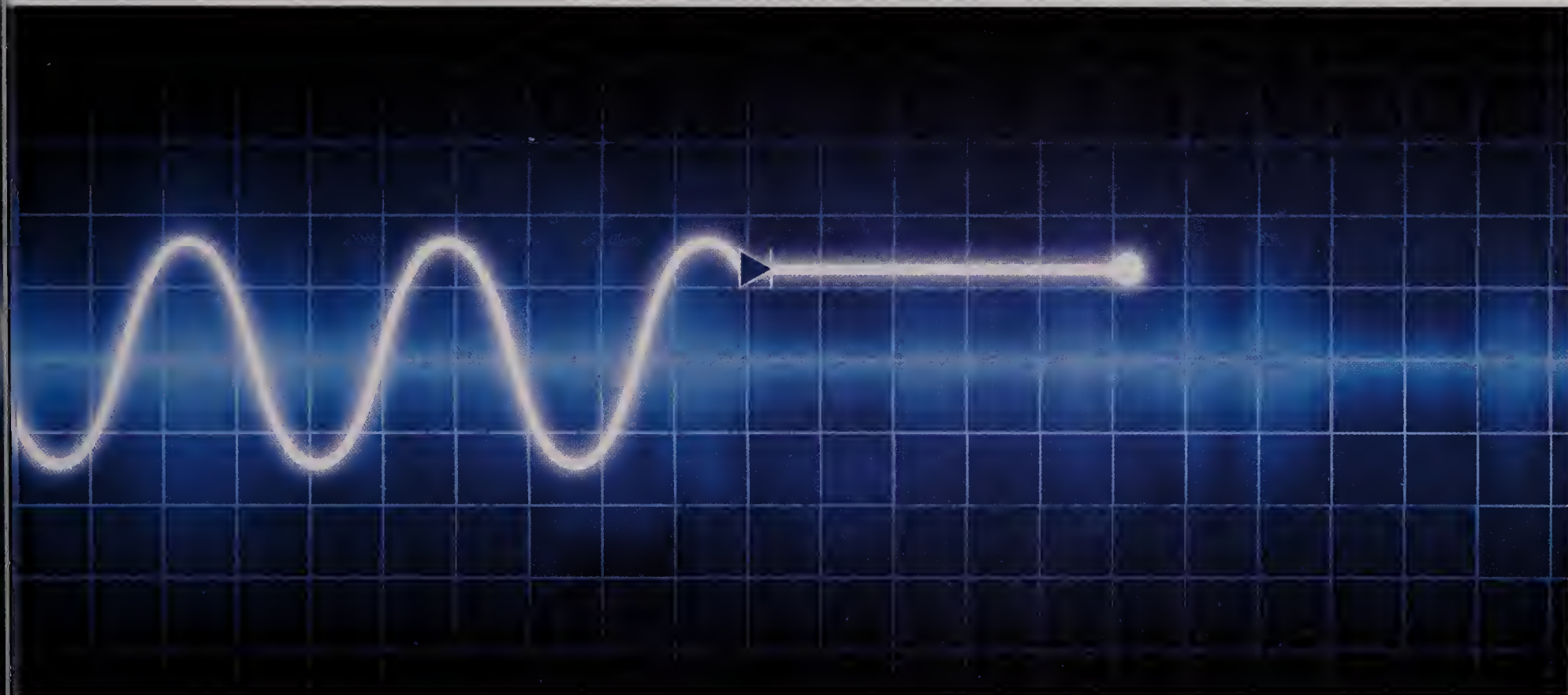
Half of Evangelical Homes' members lack high-speed Internet. "It's always interesting to walk into someone's home who's lived there for 60 years and discover what they have connected in that big ball of wires behind the walls," Hopkins says. Connect runs via dial-up, but as Hopkins considers member-requested functionality—Skype tops the list—faster connectivity will be required.

Hopkins doesn't advocate waiting for the perfect solution, however. "You've got to try something. It's not as painful as you might think, and the outcome is worthy."

Stephanie Overby is a freelance writer based in Massachusetts.

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The CIO as Innovation Chief

Companies are tapping savvy execs to be chief innovation officers. You could be a strong candidate for this dual role. **BY PETER HIGH**

We've all noticed that CIOs are acquiring responsibilities outside of IT. Examples include David Johns of Owens Corning (CIO and chief supply chain officer), Sheleen Quish of Ameristar Casinos (CIO and SVP of HR), and Karl Salnoske of GXS (CIO and EVP of service delivery).

But an even more interesting dual role has emerged that I call the "CIO squared"—the combination of chief information officer and chief innovation officer. Examples of the CIO squared include Tim Stanley, former CIO and senior vice president of innovation, gaming and technology at Harrah's Entertainment; and Ben Allen, who is both chief innovation officer and chief information officer at the professional services firm Marsh and McLennan.

The chief innovation officer position is less than a decade old, and most companies still don't have one, so there's certainly no predetermined place within the corporate structure where the role should be located.

The position is meant to ensure that there's someone to shepherd innovation activities (ideas, processes and incentive programs) and be responsible for the success or failure of innovation.

Given today's business trends, the CIO-squared combo makes a lot of sense. With the rise of social media, mobility, the consumerization of IT, big data, and business intelligence, IT-centered innovation is growing. IT leaders are well positioned to sit at the hub of discussions with the heads of business units and departments about the sources of innovation and the technology to support them.

Trends within the IT department also make CIOs suited to be the shepherds of innovation. Success in innovation requires the ability to rapidly prototype and incubate ideas so they can be tested by internal and external users of the ideas. Moreover, leading IT departments have begun to incorporate agile practices, which focus on iterative devel-

opment and iterative validation of ideas.

Stanley came to the CIO-squared position at Harrah's from the IT side, albeit a very business-savvy IT side. He drove a lot of the advances in Harrah's legendary CRM system, called Total Rewards. As a result of managing and synthesizing the data that helped the marketing department make better decisions, Stanley developed a true business perspective, calculated the ROI for almost all IT investments, and proved the business value of IT. By speak-

ing with leaders from across the business about needs and strategy, he was able to identify where IT could make investments that would provide the highest value.

Allen came from the innovation side. He was CEO of Kroll, a former operating company of Marsh and McLennan that was sold to Altegrity in mid-2010. Allen rejoined Marsh and McLennan last May as its first chief innovation officer, with a mandate to partner with leaders at the firm's various operating companies to create market-driven products and services

that help drive growth for the firm as a whole. In September, he was named chief information officer, in addition to his innovation post.

"It's a natural dual role," Allen says, "particularly in businesses where information is central to the creation of value for clients. In the Marsh and McLennan family of companies, we provide advice to clients and that advice is based on three things: the expertise of our people, information or data, and analytics."

As the chief information officer role becomes more strategically important, and as CIOs become more focused on delivering tangible new value to the businesses and customers they serve, we may see more cases of CIO squared.

Given today's business and IT trends, such as social media, mobility and data analytics, the CIO-squared combo makes a lot of sense.

Peter High is president of Metis Strategy, a CIO advisory firm, and author of the book *World Class IT: Why Businesses Succeed When IT Triumphs*.



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When Emotion Hijacks the Brain

Management consultant Doug Lennick says "morally intelligent" leaders build high-performing, innovative companies BY KIM S. NASH

How does technology affect people's moral judgments?

Technology is impersonal enough that one's judgment can be impaired. One feels like they can say more and do more with technology than they might feel comfortable doing face-to-face. Harassment happens more easily because of technology. Bullying online is pretty common. CIOs are well familiar with damaging email messages that end up being discovered in litigation. But technology is not the cause of bad judgment.

What causes bad judgment by executives?

In the heat of the moment, in an emotionally charged situation, someone will whip off something on his smartphone or laptop or iPad and, in anger or frustration or anxiety, he will hit the send button. One has to have a combination of emotional competence and moral competence to avoid responding in a way that is later considered regrettable, possibly unethical or possibly immoral. Between the emotion and the response, people don't take enough time to reflect.

What's going wrong?

Successful leaders have to develop emotional competency. It will separate you from the pack. Cognitive and technical competencies are table stakes. In the executive suite, everybody's going to be fairly smart and technically good at something. Business people try to hire those they think can do the job, but very often they pass their judgment based on how smart a candidate is. Yet if they lack emotional and moral competence, they won't be able to sustain their performance. That's because, under pressure, they will do things they wish they had not done. Without emotional competency, irrational decision-making trumps intelligence every time. If we can understand how the mind operates within the brain and how the brain is wired, we can begin to understand why, in certain situations, people do something regrettable.

Without
emotional
competency,
irrational
decision-
making trumps
intelligence
every time.

Why does it happen?

Your reality is a combination of three things: your thoughts, your emotions and your physical experience. When that reality gets stimulated by some outside event, the way our brains are wired means we're stimulated emotionally first.

It all happens very fast. Your emotional state can hijack the cognitive center. It might be, "I was so angry, I couldn't think straight."

When you're emotional enough, the chemical activity in the brain impairs cognitive thinking. But you can do something about that if you know that.

Where do you start?

An executive's effectiveness as a leader is a function of how well he manages himself. I have a client whose impulse control is low and stress tolerance is very high. He will fly off the handle and do things that he wishes he hadn't done, but because he handles the stress well, he doesn't think much of it. But people around him are adversely affected.

You can measure how adaptable you are and your ability to respond to pressure with lots of tools, [such as] your organization's 360-degree feedback data and the Emotional Quotient Inventory test. We have the moral competency inventory at moralcompass.com.

Contact Senior Editor Kim S. Nash at knosh@cio.com. Follow her on Twitter: twitter.com/knosh99.

Outsourcing for savings alone is so last century

Buyers and providers take note: If you're still buying or selling on savings, you're missing the real opportunity.

For years, global enterprises have outsourced functions such as information technology, human resources, finance and accounting, procurement and customer service. Usually done piecemeal by business units, function or geography, the driver is typically cost savings, often achieved from greater economies of scale, new technologies or labor arbitrage. Today, however, organizations' sourcing efforts are progressing toward something much more strategic, more evolved and with much more potential for value.

This is the vision behind what we're seeing as companies are integrating portfolios of shared services, outsourcing and retained services and implementing them globally and across business units and functions. The results are impressive and aren't just functions of cost:

■ **Agility & Growth:** A global technology company standardized its global services delivery across business units using both shared services and outsourcing. The move reduced costs and increased agility, while making it easier to integrate acquisitions.

■ **Consistency & Customer Satisfaction:** A firm operating in 100 countries has 50 care centers for customers, partners and employees. Consolidating to 10 regional, integrated centers should deliver economies from personnel reductions and infrastructure consolidation, more consistent services and higher user satisfaction.

At the root of just about every strong story of transformation is a sound IT strategy. IT provides the common service delivery framework required for global business services to deliver strategic value. However, according to an IDG Research Services survey of IT leaders, only 24 percent of IT executives believe global sourcing efforts have effectively enabled the sought-after business goals.

As an IT leader, what can you do?

■ **Get in at the beginning.** As business units develop global service strategies, IT needs a prominent seat at the executive table. Understanding the business case is essential to making informed technology decisions. IT must educate the business on the technical feasibility of its strategies.

■ **Turn the vision into a plan.** Once the business vision is clear, IT must translate it into a workable technology strategy and architecture. Consolidated services will likely be delivered via a combination of in-house services and, especially, shared services and outsourcing that can prove highly complex to deploy, integrate and manage from an IT perspective.

■ **Deliver a global platform.** Global ERP deployments can deliver a robust platform for the standardized processes that a global business services environment depends on today. Tools such as virtualization, software as a service (SaaS), service-oriented architecture (SOA) and the cloud can make the physical location of systems and organizational boundaries irrelevant.

■ **Stay flexible.** Certain markets may be too small to justify the expense of an SAP deployment. SaaS could be viable there—or mobile solutions that leverage 4G networks for centralized data access. As technology and market conditions evolve, continually manage and refresh your services portfolio.

■ **Don't under-invest in governance.** Governance in terms of the right personnel and administration for process improvement and management is essential. Appropriate service levels, procedures for dispute resolution, reporting and analytics only gain in complexity on the global stage.

This summary highlights the importance of globally coordinated, robust and proactive IT strategies and practices to support a firm's global business services efforts and ambitions. You can learn more about this topic and the results of the IDG research by downloading the related white paper at www.cio.com/whitepapers/kpmg.

For more information on succeeding with global business services, visit the KPMG Shared Services & Outsourcing Institute, www.kpmginstitutes.com/shared-services-outsourcing-institute.



The Weakest Links

Does your business-continuity plan cover supply-chain risk? It should. **BY KIM S. NASH**

Just as all politics is local, so are supply chains local. If one of your key manufacturers in Asia or a big IT service provider in South America goes down after a disaster, you might, too.

More than ever, CIOs must create and test disaster-recovery and business-continuity plans, not just for your own operations, but for the extended supply chains on which your company has come to rely. That means you have to worry about your suppliers and your suppliers' suppliers.

According to Protiviti, a management consulting firm, only achieving customer loyalty tops managing supply-chain risks on this year's list of business challenges. And you can be sure you won't keep even the most loyal customers if your products can't get to them, says Manesh Patel, CIO of Sanmina-SCI, a \$6.6 billion company that makes medical devices, military equipment and other electronics. >>>



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►►► **Disaster recovery** Continued from Page 24

Last year, Sanmina-SCI temporarily moved production to Malaysia when floods in Bangkok stopped transport of electronics parts through Asia. Sanmina's offices were not affected, but some of its suppliers were, potentially compromising customer orders. "You may be OK, but by definition if your suppliers are impacted, you are, too," Patel says.

Roberta Witty, a research vice president at Gartner, says big companies are getting pickier about their suppliers' recovery and continuity capabilities, looking for solid emergency plans early in discussions about doing business together.

Witty thinks CIOs need to assess suppliers and determine whether to ditch them, help them or live with the risk, and she suggests two metrics to measure them by: how important a supplier's part or service is to making your larger product, and how much revenue an item brings in to your company. Financial services, healthcare and telecommunications companies, among others, often spend their own money helping suppliers improve, she says. "It's in both companies' best interests."

For example, WellPoint asks key vendors to vet the recovery plans of their subcontractors and report back on that process, says Andrew Lang, CIO of the \$58.8 billion healthcare company. WellPoint spent the last year studying its IT and business process outsourcers, and the smaller companies those suppliers hire. It's important to understand the contingency plans of those subcontractors because their outages can become yours, Lang says. "They are a smaller cog, but they're still a cog."

This year, Lang expects to focus on the small, independent suppliers WellPoint uses, many of which came with the multiple mergers and acquisitions the company completed in the past several years. If a supplier is deemed critical to WellPoint's operations, WellPoint helps improve its disaster-recovery and business-continuity plans. If the service or product can be provided by a bigger, more solid player, the smaller supplier may be jettisoned.

At Sanmina, risk mitigation also includes working with customers on product design to make them less vulnerable to supply-chain disruptions, Patel says. For example, customers receive feedback about the supply chain for parts and are given suggestions when there is too much reliance on a single source. To Patel, it's a matter of reducing risk throughout the business relationship.

Contact Senior Editor Kim S. Nash at knosh@cio.com. Follow her on Twitter: twitter.com/knosh99.

Keeping Up Appearances

BY TOM KANESHIGE

What is it about Starkey Laboratories' iPad strategy that had some 3,000 hearing experts clamoring to attend its session on iPad apps of the future at a recent Las Vegas expo? Rob Duchscher, senior vice president of IT at Starkey, the country's largest manufacturer of hearing devices, explains: "There was an unanticipated quest for information on innovation and technical excellence."

And Starkey lived up to the hype, unveiling to resounding applause a flashy new iPad app it developed with an Australian startup. "These small companies are doing really cool, innovative things," Duchscher says. "We give them a shot."

What they did: Duchscher started Starkey down the path toward its current iPad strategy two years ago, when it began buying iPads for salespeople and spinning out apps to support its business. While the company used outside vendors for some app development, it also added a three-person mobile apps group under Duchscher's IT leadership. Starkey's group now has 17 iOS apps available for a range of tasks—salespeople can process orders, audiologists can configure hearing instruments, and patients can perform self-diagnostic hearing tests, for example.

How they did it: After 11 years spent in R&D, Duchscher was all too familiar with IT's veto power. "I had grown tired of having to argue with our IT department," he says. "Of having years of roadblocks thrown up at me." His mission, now that he was on the other side, was to be at the edge of technology.

Duchscher accomplished that mission by deviating from the well-trod path followed by most CIOs. For example, when asked if his iPad strategy has led to more sales, Duchscher isn't sure—and doesn't really care. Sure, Starkey salespeople use iPads at customer sites, access CRM apps, get real-time pricing and take orders, all of which speeds up the sales cycle and improves customer service. But does it translate to higher sales? "The benefits are a little less tangible," Duchscher says.

He says he wasn't overly concerned about ROI because Starkey executives knew salespeople with iPads improve the company's image. After all, Starkey's hearing aids are very technically sophisticated products, too.

Its iPad apps, like the one unveiled in Vegas, are similarly slick-looking. And the fact that he used a startup is another thing that sets Duchscher apart. Many CIOs fear being stuck with unsupported software when a vendor goes belly up. Duchscher hedges his bets by building in a way that mitigates the risk. He also prepares his app team to swap in homespun code if necessary. "I'm not ignorantly blissful."

Senior Online Writer Tom Kaneshige can be reached at tkaneshige@cio.com. Follow him on Twitter: twitter.com/kaneshige.

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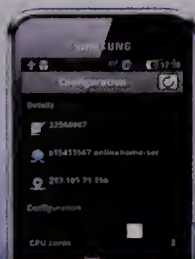
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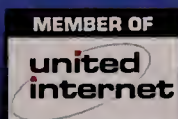
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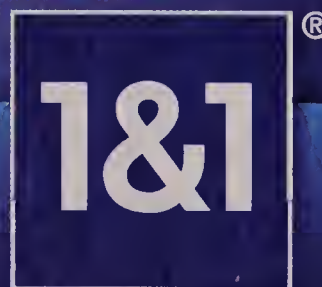
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LEGAL AFFAIRS

EU to Simplify Privacy Rules

Companies will be able to negotiate pan-European data protection agreements in one fell swoop, rather than country by country **BY PETER SAYER**

The European Union is hatching a plan to make it simpler for businesses to comply with the hodgepodge of national privacy laws in Europe.

Viviane Reding, vice president of the European Commission, envisions letting companies negotiate a single set of data privacy safeguards that would be legally binding wherever a business operates in the EU.

Reding sketched the plan for pan-European binding corporate rules, or BCRs, in a Nov. 29 speech. The regulation will call for codes of practice ensuring "adequate safeguards" for data transfers between parts of the same corporate group, Reding says. The agreements will become legally binding once approved by a data protection agency in just one of the 27 EU countries.

Some companies, such as Bristol-Myers Squibb and General Electric, have already negotiated BCRs on a piecemeal, country-by-country basis over the past decade. BCRs developed as a way for European businesses to transfer data outside the EU, perhaps into a cloud service where the precise location of data cannot be ascertained.

But BCRs today require approval from a data-protection agency in each EU country where a business group is active, so the BCR had to satisfy multiple national authorities that follow different, perhaps contradictory, practices or legislation. "That wastes time and money," Reding says. Instead, she wants BCRs based on a single new European regulation.

GE has negotiated BCRs in 12 EU countries, starting with Germany in 2003 and France in 2005, "but that's still only 12 out of 27 countries," says Christian Pardieu, GE's European data protection officer. "We have so many entities in so many countries that signing data transfer clauses...is a nightmare," he says.

For Pardieu, a single BCR recognized in all 27 EU countries can't come too soon—although he urges companies not to wait. "Start right now, don't wait for new regulations. It's costly, but you build trust with the customer and with employees. That's the meaning of these privacy principles."

Peter Sayer is a correspondent with IDG News Service.

Analytics Back Atop CIO Priority List

Business intelligence and analytics have again become the top technology priority for CIOs, replacing cloud computing, according to a survey of 2,335 CIOs conducted by Gartner.

Business intelligence lost the top spot on Gartner's list to virtualization in 2010, but returned this year.

"I think it dropped off the top for a couple of years because expectations were really high, and they weren't really met," says Dave Aron, vice president and a fellow in Gartner's CIO Research group.

The reason business intelligence has made a comeback is that CIOs are hearing about trends such as real-time data, big data and social networks.

"To be honest, I am still worried that enterprises still haven't got the skills and resources to make it happen," says Aron.

Virtualization fell out of the top three spots because "a lot of the server virtualization work has been done," he says.

CIOs tend to rank highly the technologies that are going through a lot of changes or that they're most worried about, Aron says. Virtualization dropped down the list because it has already been successful, he says.

Mobile technologies and cloud

computing are in second and third place on this year's priority list.

Last year, CIOs dismissed cloud computing as hype, Aron says. "What's happening now is they believe in it, and they also really, really need it because of economic pressures."

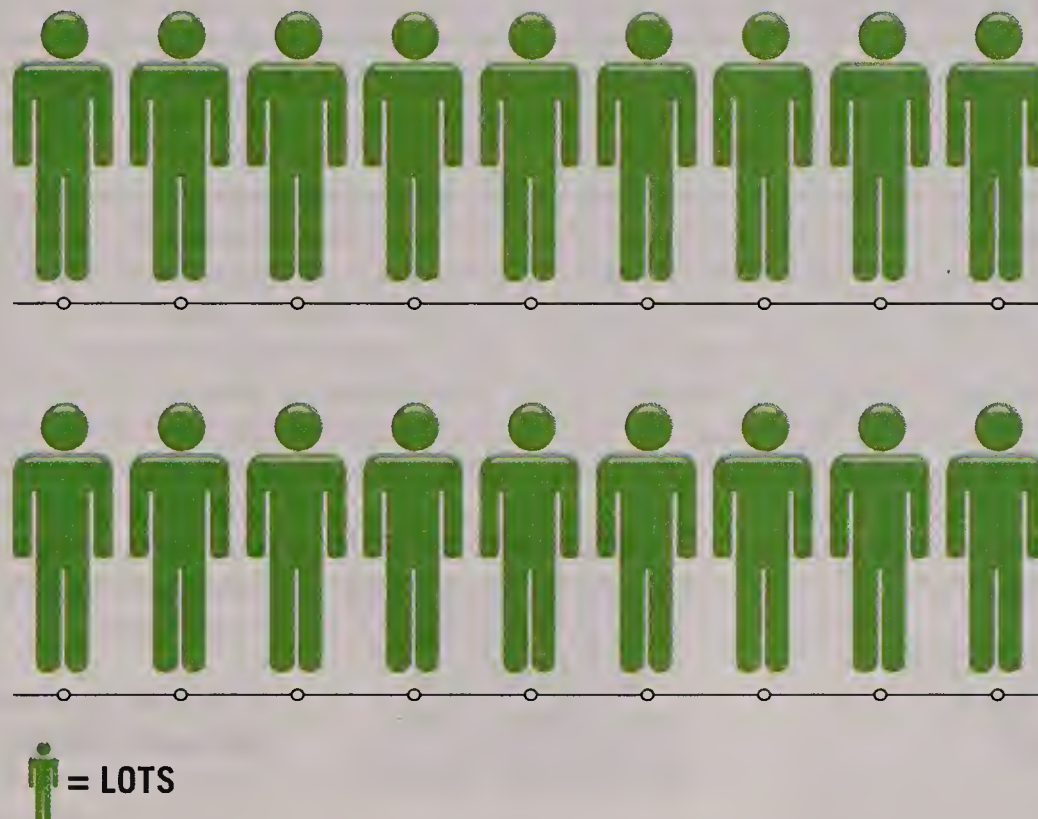
As for mobile technologies, 61 percent of enterprises responding to the survey said they will be improving their mobile capability over the next three years.

CIOs think the customer-facing part of the business is where there is the most room for innovation and where IT can have the biggest impact, especially with the use of mobile technology, Aron says.

—Mikael Ricknäs

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The Change Agent

To bring new tools and shared services to every business unit of Time Warner, this CIO has to hire wisely **BY PHIL SCHNEIDERMEYER**

When Bill Krivoshik joined Time Warner as SVP and CIO, the media and entertainment conglomerate was looking for an IT exec that had it all—interpersonal skills, strong tech-management ability, and in-depth experience with shared services—to lead an initiative to provide IT support to all of Time Warner’s businesses, including TBS and Time.

“I’m sure if they could have found a CIO with [all of that] and media experience, they would have hired that person,” says Krivoshik, who came to the newly created position with extensive experience as a CIO at financial companies, including at Marsh and McLennan. “Ultimately, the company was looking for leadership skills and experience, and not simply driving change through a mandate.”

What is it like to go from financial services to a media company?

Both industries really value the contribution technology can make to the business. A CIO’s success depends on their ability to put in place the right people, the right tools and the right business processes. Both financial services and media companies need a real mix of talent. You need people who have deep technology skills, understand the business issues and can communicate solutions to their business partners, and you need strong managers.

Salesforce.com talks about creating the “social enterprise.” What do you see as the rewards and the risks of that?

As I understand it, the social enterprise that they envision leverages collaboration tools, mobile technologies and social media to enhance interactions with your customers. I’d like to take the liberty of extending it to both internal and external customers. I believe the rewards are potentially significant, but there are also certainly risks and costs to manage that can be just as significant.

By definition, a “social enterprise” would be one that is very good at using technology to increase brand recognition, to provide the tools for customers to do business with you more easily, and to provide some value that your competitors can’t provide.

Ultimately, we need to provide our products to end customers on more platforms. For example, Time wanted all 21 of our U.S. titles available as tablet editions by the end of 2011. And HBO GO, and later MAX GO, allowed consumers to get HBO and Cinemax content anywhere they have a connection to a broadband network.

To make these innovations happen, the CIO needs to hire smart people with the experience to know how to

correctly architect solutions that keep costs in check even though the number, variety and complexity of platforms continues to grow.

Does being a social enterprise give you a hiring advantage?

It seems obvious, but with the consumerization of IT, employees want to bring in a variety of devices and connect them to company systems. They may be coming from companies that already allow this, or they may be younger hires who are used to being connected through a variety of platforms all the time.

Obviously, practicality is needed in determining which technologies to invest in, but there is also the softer requirement to make sure the workplace is more attractive to millennials and other tech-savvy talent. This is the segment of the workforce that has leading-edge platform skills.

This includes access to collaboration tools, from wikis to social media. But there has to be that balance. There must be a strong sense of practicality. That is, we don’t develop technology for technology’s sake, but invest in and support technology that addresses business needs.

Phil Schneidermeyer is a partner in the New York office of Heidrick & Struggles, where he specializes in recruiting CIOs and CTOs for all industries.

VIEWPOINT



Jack Bergstrand

FOUNDER AND CEO

Jack Bergstrand is founder and CEO of Brand Velocity, a consultancy that helps executives manage and improve important business initiatives. He is a former CIO of The Coca-Cola Company and author of the book *Reinvent Your Enterprise*.

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Reinvention:

Taking Advantage of the High Project Failure Rate

The success of large projects is important in today's economy. Yet, 70 percent of these "reinvention initiatives" are doomed to failure, even using good project management fundamentals. Jack Bergstrand has been involved in more than \$1 billion worth of large-scale projects, across many industries. In this Q&A, he discusses the unique nature of reinvention initiatives and how organizations need to adapt their approach when projects have significant people components.

Why do reinvention initiatives have high failure rates?

Successful reinvention requires that companies manage strategy, technology, process and people. Keeping these components in sync is challenging. When they get out of sync, projects fail. These people dimensions can't be successfully managed using the traditional project management approach.

Successful reinvention projects require specific and unique practices to ensure that key people are continually on the same page and heading in a single direction. This requires continual conflict management in conjunction with strong project management mechanics.

How does the passing of time further complicate reinvention initiatives?

People dynamics are at the heart of why most large projects succeed and fail. In their defense, key stakeholders often have very difficult schedules and genuinely different perspectives. Time frames must be actively managed because disconnects will increase as timeframes increase—with stakeholders changing jobs, new people taking their place, and so on. These dynamics need to be actively managed for conventional project management techniques to work as intended.

How should the traditional approach to reinvention project management be changed?

The last big attempt to improve people-

intensive projects was reengineering in the 1990s. As reengineering was translated into the marketplace, it became a way to sell enterprise software and reduce head-count. And because it used a project management approach developed in the early 1990s, many of these efforts failed. With reengineering, when symptoms like scope creep and schedule delays emerge, companies often clamp down on their project management controls even further. This over-engineering often makes matters even worse because it makes it more difficult to manage the important human dynamics that are typically at the heart of the problem.

What are the top three pitfalls to manage in large reinvention initiatives?

The most common pitfall is the lack of a single living vision—in business English—across stakeholders. In practice, project specialists typically own various individual pieces of projects in relative isolation, but as an organization the key stakeholders don't have a single shared view for success—so there is no compass to correct the course when there are organizational disconnects and changes.

The second pitfall is the lack of integrated and dynamic planning. Project planning often takes too long, is too detailed, and does not adequately integrate key stakeholders. In conjunction with these important people considerations, the use of tools such as Myers-Briggs is done in a way that insufficiently connects the dots between personal preferences and successful project management practices.

The third pitfall is the lack of a shared businesswide project management lifecycle to proactively solve business-IT alignment issues. The entire company—not just IT and project teams—needs to share the same project management approach, with the targeted use of independent facilitation to actively identify and solve issues within and between key stakeholder groups. ■

The Business Benefits of a Cloud-Based Database Appliance

IT

is under unprecedented pressure to work more efficiently, yet deliver increasing business value. In response, IT executives are turning to virtualization and private cloud technologies.

Server virtualization is now a mainstream technology in IT and has become a key mechanism for delivering cost savings, whether through server consolidation or rapid provisioning of new servers.

Private clouds, meanwhile, are enabling IT organizations to achieve such benefits as resource pooling, elasticity, self-service automation and standardization.

At the same time, organizations continue to seek ways to efficiently manage the exponential growth of business data. In many cases, the unplanned storage of massive amounts of data has led to the deployment of thousands of single-database servers across the network. This proliferation has created *database sprawl*.

To remedy the situation, many organizations are beginning to look at virtualization to consolidate their databases.

DATABASE CONSOLIDATION USING VIRTUALIZATION

Recent industry studies show that database consolidation through virtualization can provide significant benefits, including increased server usage, infrastructure simplification, reduced staffing costs, greater IT responsiveness, chargeback control and additional high-availability and disaster-recovery options.¹

Even so, some CIOs fear that running business-critical databases in a virtual environment is a completely different ballgame. They cite performance issues with databases, in addition to the large memory footprint, high-transaction throughput and rigorous high-availability requirements.

Bottom line: They wonder if the risk/return ratio is worth it.

BUSINESS BENEFITS OF A CLOUD-BASED DATABASE APPLIANCE

To address these challenges, enterprises should consider the HP Enterprise Database Consolidation Appliance. The HP Enterprise DBC Appliance simplifies deployment and management of a virtualized infrastructure and is designed specifically for Microsoft SQL Server databases.

The appliance makes it possible to consolidate hundreds of transactional databases into a single, virtual environment, where new SQL Server instances can be provisioned in minutes, and migrations can be accomplished with near-zero downtime.

The cornerstone of the DBC Appliance is the AMD Opteron processor, which offers industry-leading virtualization performance and the ability to consolidate the maximum number of databases in the fewest number of servers. The large memory footprint offers near-native performance, and Live Migration can be used to move virtual machines (VMs) from one host to another without taking the VMs offline.

The appliance is engineered with high availability in mind. All hardware components are redundant, down to the communication links and paths.

Among the business benefits of this cloud-based database appliance are greater database agility, reduced operational costs, performance improvements and a significantly smaller data-center footprint.

CONCLUSION

Virtualization isn't just about consolidation and cost savings. Increasingly, forward-facing organizations are using virtualization to transform their IT infrastructure into a private cloud. The HP Enterprise DBC Appliance is an integrated, ready-to-use solution for consolidating and optimizing database workloads to gain the full benefits of a private cloud.

¹ "Consolidation through Database Virtualization," Gartner Inc., April 18, 2011

Microsoft



For more information, go to www.microsoft.com/appliances

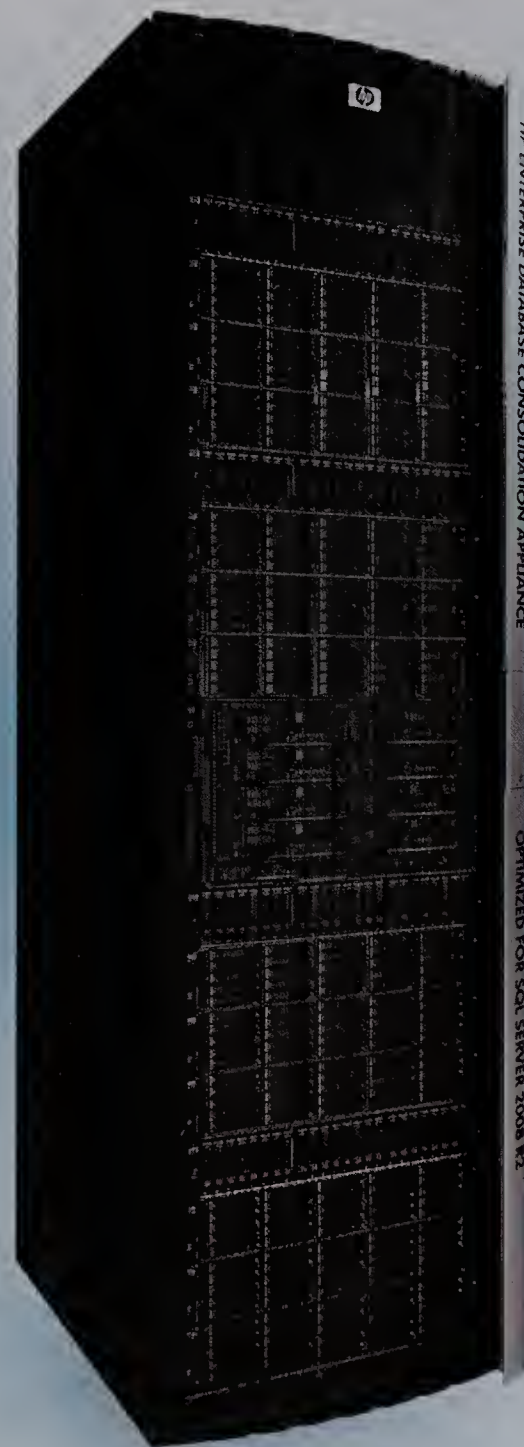
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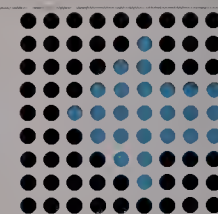
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Freshening Up

The third-largest ERP vendor takes a stale product line and adds a dose of innovation **BY CHRIS KANARACUS**

THE PITCH

Infor has grown aggressively via acquisition over the past 10 years, driven by infusions of cash from its primary shareholder, Golden Gate Capital. However, the buying spree also resulted in product overlap and rumblings that some software lines lacked innovation.

But after ex-Oracle president Charles Phillips came aboard as CEO in late 2010, he quickly made a mark, engineering the \$2 billion acquisition of Lawson Software, a move that gave Infor a major presence in healthcare and human resource software.

Phillips also presided over the September 2011 launch of Infor10, which includes the Ion middleware suite for tying together Infor's own and third-party applications, as well as a new user interface called Workspace.

Meanwhile, Infor has hired hundreds of additional developers to speed up the pace of product innovation.

THE CATCH

Competitively speaking, Infor focuses on about a dozen verticals, including food, fashion and manufacturing, but not in the way you might expect.

"We think of industries differently than anybody else," Phillips says. Infor is targeting "micro-verticals" within the broader vertical market categories, he says. For example, bakers and butchers are both in the food and beverage business, but their processes are quite different.

Infor is taking a multifaceted approach to growth, says analyst Ray Wang, CEO of Constellation Research.

"You've got to keep your maintenance customers happy by making sure there's enough relevant updates. Second, as they go into more verticals, over time it makes the product better."

Meanwhile, "Ion allows them to bring together all these new capabilities to the user base," Wang says. "This is the most important thing. If they can't get their existing customer base to buy new products, they're in trouble."

The amount of risk new Infor customers face depends on what they're looking to use, Wang says.

"If you're buying a newer product with Infor, you're catching them on the rebound. It's a lower risk than three to five years ago. Three to five years ago, the product was stale."

THE SCORE

Long-time Infor customer Brewster Dairy—which claims to be the largest maker of all-natural Swiss cheese in the United States—is already using next-generation technologies such as

THE COMPANY

Infor

Headquarters: New York, N.Y.

Employees: Infor has 8,500; its affiliate Lawson Software has 3,400

2011 Revenue: Combined with Lawson, \$2.7 billion

CEO: Charles Phillips

What They Do: Infor was the industry's third-largest ERP vendor even before it acquired Lawson Software last year. The combined company is rolling out next-generation technologies and looking to go even deeper in vertical markets.

Ion, and the results have been good so far, says CIO Dale Brittan.

The company is running Infor's Adage and enterprise asset management software, using Ion to exchange data between the platforms.

"The integration was smoother than what I thought it might be," Brittan says. "They're headed in the right direction by using this. We've had it running with not an ounce of trouble."

Brewster Dairy's experience with Infor has been characterized by consistency—aided by the fact that support staff has remained the same for many years—and responsive product managers, says Brittan.

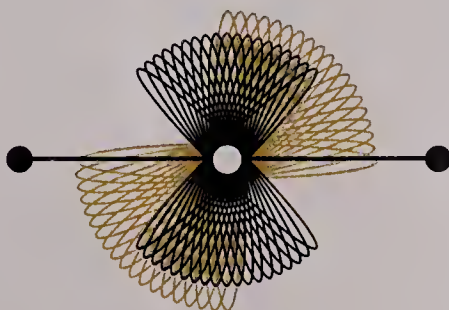
"They seem to listen to your ideas and see if they can put them in the standard product," he says. "All of our Infor products are standard out of the box. They are not customized at all."

Chris Kanaracus is a senior U.S. correspondent with IDG News Service.



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A full-page photograph of Wayne Shurts, a middle-aged man with dark hair, smiling at the camera. He is wearing a light purple long-sleeved button-down shirt and a dark tie with a small, repeating geometric pattern. He is standing in a supermarket bakery, with shelves of various breads and pastries visible in the background. The lighting is warm and slightly dim, typical of an indoor grocery store. His right hand is resting on a surface in the foreground, and he is wearing a gold ring on his ring finger and a gold watch on his left wrist.

Wayne Shurts, CIO at Supervalu, worked at a supermarket bakery, where he ruined a few cakes but gained fresh insights about how customers really shop.

customers



37

Get out of your office and talk **face-to-face** with your customers. Bring back ideas for new products and better systems.

BY KIM S. NASH

The customer is always right, but how would you know?

Few CIOs truly understand what external customers want and why they act the way they do. Running IT can all too easily keep CIOs internally focused, making sure fellow employees have the technology they need to do their jobs. That's important work, but it's not strategic.

CIOs who don't look outside the office and mingle with the people who pay money for the company's products and services miss the chance to get ahead—of customer complaints, of competitors, and in their own careers. A CIO who knows how to interpret customer behavior can come up with ideas for new products and fixes for systems that don't quite work the way customers expect. CIOs with experience on the front lines of the business may even be able to help shore up relations with customers being courted by competitors or spot new business opportunities.

"The magical stuff with IT is great applications that run the business better. That can't happen when IT stays in a corner," says Wayne Shurts, CIO of Supervalu, a \$37.5 billion chain of grocery stores that include Albertson's, Jewel-Osco, Shaw's and others.

Most CIOs don't do much customer outreach, according to our latest State of the CIO research. Just nine percent of 596 CIOs surveyed said they spend time studying market trends and customer needs to identify commercial opportunities—the same as last year and

a drop of three percentage points from 2010.

Not understanding customers can lead to poor decisions, says Bruce Temkin, managing partner of the Temkin Group, a customer-experience research and consulting firm. As senior executives, CIOs are involved in critical corporate decisions about mergers and acquisitions, divestitures, investments and business strategy. But those who hibernate, focused on IT operations only, may lack the customer-related information needed to do the job well, Temkin says. "More CEOs are looking for their staff to be better aware of customers," he says.

Our survey shows CIOs expect that paying attention to customers will become a bigger part of their job. Twenty-seven percent said they want to be doing this kind of work in three to five years.

What it'll take to get there is dedication. Many CIOs bring back tidbits from informal encounters with customers outside the office. "I heard from my neighbor that our bank's branch in town could really use a Spanish-speaking teller..." That's helpful, but limited. To be most valuable, collecting customer intelligence must be a sustained and focused effort that permeates not just the IT group but the whole company, says Michael Capone, CIO of Automatic Data Processing (ADP), a \$9.9 billion human resources and payroll provider.

Capone tries to spend at least 20 percent of his time with customers and prospects, which helps erase the line some enterprises draw between IT and the rest of the company. He doesn't wait for the business to devise strategy for IT to enable, he says. Instead, his customer knowledge informs strategy decisions. "We help envision what's possible with technology."

Progressive CIOs offer five ways to get close to customers.



Venture Into the Wild

A time-honored way of connecting with customers is to work in stores and offices with front-line employees. For CIOs serious about studying customers, this is not an ivory-tower exercise but the chance to uncover how IT can make practical changes to advance the company's competitive position

SHADOWING Your Customer

ADP fixes confusing software by tracking how customers use its products



any CIOs would like to have the luxury of peeking over the shoulders of customers as they use the company's products. Payroll processor Automatic Data Processing (ADP) gets a similar experience by using Tealeaf, software that records the actions of people using ADP's software. When custom-

ers call the ADP support line to report a problem, agents can pull up Tealeaf and see what went wrong by retracing the customer's keystrokes.

With these recordings, nothing gets lost in translation after a customer call because CIO Michael Capone and his staff can spot exactly what kind of problems tripped up the customer—for example, a task requiring too many steps to complete. "We can get the story directly from our client," he says, and then update the software.

Capone says IT frequently makes changes to ADP's products based on watching customers' actions. For example, in one of ADP's systems, customers were submitting the same reports repeatedly. Using Tealeaf, IT could see that users were clicking the submit button over and over again; there wasn't a clear indication that the report had been successfully submitted.

The solution: Capone and his staff improved the screen's text and grayed out the submit button to indicate that the task was complete.

Capone periodically leafs through Tealeaf reports to see how customers are reacting to new product features. ADP uses Tealeaf to monitor all its U.S. payroll and time-and-labor systems, as well as its mobile applications.

In training sessions, IT staffers listen to call-center recordings and view Tealeaf logs to learn how to better deal with customers calling in with problems. IT workers aren't held to a rigid schedule of using Tealeaf but, Capone says, "Like any good tool, you don't need to require people to use it. If it helps them do their job, they simply will."

—Lauren Brousell

and generate new business.

For example, one of the first things Starbucks CIO Stephen Gillett did when he was hired in 2009 was work as a barista for a week. Starbucks has since pushed hard to get customers to use mobile technology in an effort to speed up checkout as the restaurant chain battles back from a rough recession.

At Supervalu, top executives see understanding the customer as paramount in turning around the company, which lost \$1.5 billion last year. "It's real easy, especially in IT, to get lost in what you're doing and lose sight of the mission," Shurts says. "We are a grocery retailer that serves customers. We have to bring customers in."

Craig Herkert, Supervalu's president and CEO and Shurts'



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Michael Capone, CIO of Automatic Data Processing, tries to spend 20 percent of his time with ADP customers and uses the insights he gets from them to inform strategy discussions.

boss, started a Not-So-Undercover Boss program in 2011. All senior executives must work on the front lines twice a year to understand employees' jobs and customers' behavior. In December, Shurts worked at a full-service bakery at a Cub Foods near Minneapolis. He ruined a few cakes, he says, but gained fresh information about how customers shop.

"When I go to a store, I'm not looking only at IT. The customer doesn't think of the store as a technology experience," he says. "I'm looking for ways to improve the overall experience, whether that includes IT or not."

He asked people about grocery prices, how they liked the new fruits and vegetables the store offers, and how they shop.

Do you print coupons from the Web? Can you find everything you want?

Customers love the store locator on Cub Foods' website, he says, but want some help once they wheel their carts inside. A few conversations that day solidified an idea the IT group had been contemplating: a mobile application that tells shoppers where to find products within a given store. Shurts is researching such a tool, with features such as suggested navigation routes based on a customer's electronic shopping list.

Robert Juliano, CIO of Brandywine Realty Trust, approaches his job with one goal: Lease more space. The \$573 million real estate company rents commercial and residential

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"When I go to a store...I'm looking for ways to improve the overall experience, whether that includes IT or not."

-Wayne Shurts, CIO, Supervalu

buildings, and even as CIO, Juliano must think of that as his first priority, he says.

As he and his staff walk Brandywine's buildings regularly with on-site engineers, they learn what kinds of questions tenants ask, and what kinds of problems arise. He says he then ponders what he or his IT group can do to smooth things out for both tenants and staff. For example, although Brandywine rents to big companies, such as Northrop Grumman and Wells Fargo, many tenants are small and midsize companies that Juliano goes out of his way to help. In one common scenario, a small customer may be configuring an office and run into problems with their own telecom or network providers reworking installations for them, he says.

"Even though it's not our problem to fix, I have access to vendors that they might not have," he says. Sharing IT expertise can lead to stronger, long-term customer relationships. But he wouldn't know about some of those situations if he didn't visit company properties, he says. "They're not paying us directly, but it's another way we can help serve."

2

Cultivate CIO Buddies

Striking up relationships with the CIOs of your big customers provides intelligence about the customer's business while you spread the word about your company's products and services. For example, Jeff Hutchinson, CIO of Maple Leaf Foods, a \$5 billion consumer packaged-goods company, eats lunch often with the CIO of his company's biggest customer so they can maintain a good relationship and swap IT leadership tips.

Anuj Dhanda, CIO of PNC Financial Services Group, a \$3.1 billion financial services firm, seeks out CIOs at industry events and meetings of professional groups. By talking informally with the CIO of a local insurance company, Dhanda got additional insights into how the bank should work on a payment clearinghouse system designed for healthcare companies, he says. The insurance CIO talked about some business intelligence features he'd like in such a system.

Capone, ADP's CIO, routinely meets with customer CIOs when he travels to major cities. At a lunch meeting in Atlanta last year with three fellow IT leaders, Capone discovered

that they didn't know about ADP's new mobile applications that let people access their benefits statements from smartphones and tablets. Capone took out his iPad, had another CIO sign in to his company's ADP-administered HR system, and demonstrated the features that those CIOs could activate for their employees.

When he got back to the office, at a gathering of IT and marketing managers, Capone shared the story that led to the development of a new publicity campaign for the free mobile apps. "We'd done media, but somehow we had not pushed our story out," he says. Within a few weeks, ADP customers signed up tens of thousands of users, he adds. That lunchtime CIO meeting proved fruitful. "There's a lot of opportunity out there."

3

Get Your Staff Out

At Supervalu, CEO Herkert's enthusiasm for customer contact inspired CIO Shurts to create his Business Immersion program in early 2011. Every year, all 1,200 members of his IT staff are required to work for at least one day, and often several days, at stores and distribution centers. Similarly, Capone's Know Your Business program kicks in soon after someone joins IT. He or she spends time listening to customer support calls, going on sales pitches and working on technology implementations at customer offices. He requires his executive staff to participate and encourages it for all others.

Such programs offer participants customer input in many different forms, Shurts says. "This connects us with reality and re-grounds IT."

Temkin agrees. "A well-informed CIO is good. One with a well-informed staff is better."

Job rotations aren't new, but the idea is frequently pushed aside as a luxury that ever-leaner staffs can't afford. But rotations can create stronger, more creative IT leaders, according to research released last year by the CIO Executive Council.

At PNC, Dhanda at first gave his staff a quota of hours to spend in the field, a heavy-handed approach that deterred people, he says. Now he doesn't dictate time spent, but explains in a matter-of-fact manner to his staff that they are expected

to know the details of how customers interact with the bank. "This is part of your job and how you will succeed," he tells them.

Sometimes mid-level IT employees who interact with customers can bridge gaps that develop between how technologists imagine a customer uses a system and what a customer actually does.

Sanmina-SCI, a \$6.6 billion company that makes medical devices, military equipment and other electronics, created an IT team that works directly with external customers. These customers have outsourced the manufacturing of their products, or parts of their products, to Sanmina-SCI, explains CIO Manesh Patel.

"You go on the front line and you get an unfiltered view of the world, not theories."

—Robert Juliano, CIO,
Brandywine Realty Trust

"When they were building everything themselves, they had the systems to manage the process within their four walls," he says. "Now some of the data has moved to us, and the two of us have created this divide."

Patel chose people from his IT group who are customer-savvy and good with business processes to work closely with clients to make sure each party has access to the right data. If a medical device company wants to analyze product trends but some of the needed data resides at Sanmina-SCI, Patel's team might write code to extract the data for the customer, he says. Sanmina-SCI

sometimes charges for this work but mostly sees it as a way to strengthen bonds.

Brandywine's Juliano motivates his staff to think like customers by tying incentive pay to how well projects "reduce friction" between the company and its customers by, say, improving a business process. "I'm not incenting my guys on throughput in the data center. That doesn't move the ball forward."

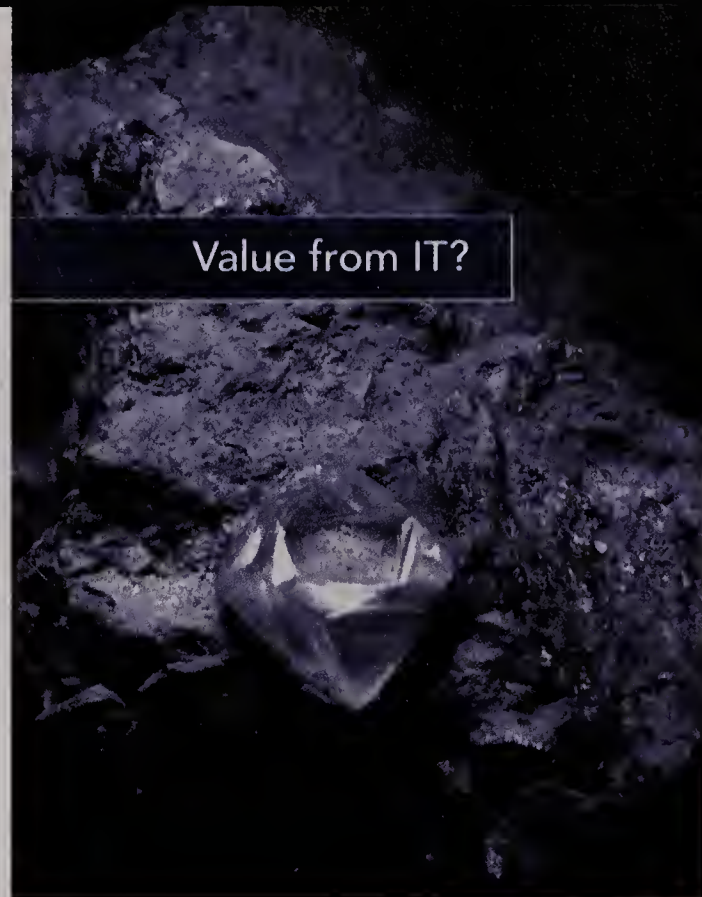
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Study the Data

Get deeply immersed in market research about your customers and industry. Broad consumer trends should inform your internal IT capabilities and the products and services your company provides. IT professionals can educate themselves using the fancy business intelligence and analytics tools they supply to colleagues in marketing and finance. Javier Polit, CIO of Coca-Cola's Bottling Investments Group, studies detailed demographic and psychographic data about Coke drinkers so he can supply effective analytics tools to Coke's marketing and distribution people.

The ways in which consumer technology proliferates will eventually affect your company's products and services. At ADP, for example, Capone keeps tabs on national surveys and buying data about smartphone usage. Are Android phones surging? Do iPads have any real competition? His thinking: The people who buy those devices will want to bring them to work. Since ADP does business with the majority of the Fortune 500, its HR and payroll products will have to support consumer devices. He also watches consumer sentiments about privacy and monitors what's happening with legislation in states, at the federal level and in other countries. ADP, which handles terabytes upon terabytes of personal information, wants to "stay conservative" on privacy issues, he says.

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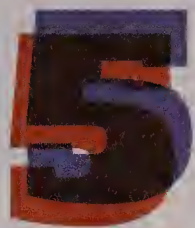
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Go Beyond the Dog and Pony Show

Especially in industries where technology is the product, such as financial services, CIOs are often asked to join the sales team to pitch to prospective customers. Acquiring and retaining customers is expected to be the biggest IT accomplishment this year for 16 percent of CIOs who responded to our State of the CIO survey.

IT leaders typically explain in these meetings how the technology works and answer questions about privacy and security, for example, or compliance with government regulations.

But there's another advantage to sitting in on these sales calls. Questions from potential customers may reveal a competitive advantage IT can build into corporate products, says Dhanda at PNC. He goes on several sales calls per year and urges other CIOs to try it. Sales situations are rife with useful information. If you simply smile and deliver a rote PowerPoint presentation about the IT wizardry inside the company to try to close a deal, you leave behind valuable nuggets, he says. Instead, listen closely. During a meeting with a large federal agency a few years ago, senior executives peppered the PNC team with questions about data warehousing. Dhanda's ears perked up as he realized they were preparing to expand their applications and revealing just what they had in mind. With this early tip, PNC later won a contract to build a large data warehouse for the agency.

Some CIOs go further than sitting in on sales pitches. Clive Selley, CIO of the \$12.5 billion BT Group, spent a "most stressful" day as a real salesman.

Last year, Selley, who is also CEO of the company's IT group, BT Innovate and Design, went with four of the telecommunication company's CIOs, the CFO, and four other executives to a call center where they received training about BT products, then donned headsets and took calls. Customers—happy and unhappy—and curious prospects called all day, schooling Selley and his colleagues on BT's strengths and shortcomings.

"It feels very different when you're the guy on the hot seat trying to match their needs with our products," he says. "That's a very powerful way of learning about what customers care about and, very importantly, how, in their minds, our products stack up against competitors'."

He found that BT's call center applications didn't always provide enough information to agents trying to make a sale. Callers asked about tariffs for various regions and how channel packages compared with those from competitors, Selley says. "Customers really drill you." He returned to his office with a list of tweaks for his developers—such as more detailed information to serve to agents earlier in the sales process—that are due to be implemented early this year.

He also brought back an insight about a potential new feature. One woman asked Selley to set up phone service for her elderly mother in another town. She wanted to pay for the basic service every month while her mom would cover the calls. This would require BT to parse its costs and issue two bills to two addresses. "That kind of billing arrangement, we don't support. But there was a real customer there with a real need," he says.

The caller bought services that day, under a regular billing plan. But the conversation got Selley thinking. "Maybe in a Western world with an aging population, more customers will want that billing arrangement." He passed along all executive feedback from the day to BT's consumer group for consideration.

"It's real easy, especially in IT, to...lose sight of the mission. We are a grocery retailer that serves customers. We have to bring customers in."

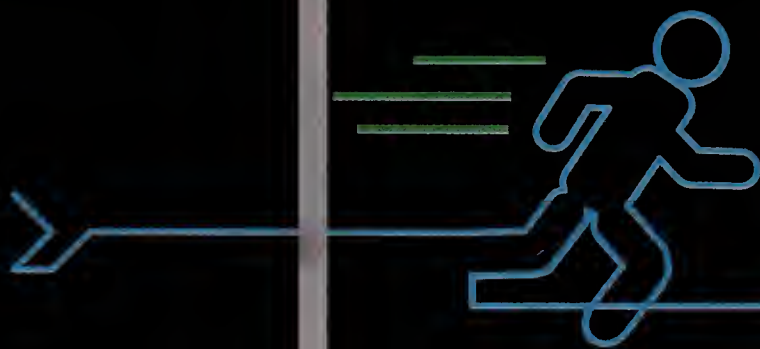
—Wayne Shurts, CIO, Supervalu

An Unfiltered View

Getting out of the office to mix with real customers can teach executives a lot. But CIOs in particular should guard against taking too narrow an approach to the experience, Temkin advises. Technology leaders sometimes see the world through engineering eyes, he says. What new thing can I build to make this better? But customer interactions include sensory components such as accessibility and emotions. By asking broad questions of the customer in front of you, you learn more. How can we make this easier for you? How do you feel about what you're doing?

At Brandywine, CIO Juliano tries to keep the big issues in mind when he's out with customers. "The farther [you get] from the field, the more filtered information you get. But you go on the front line and you get an unfiltered view of the world, not theories." **CIO**

Senior Editor Kim S. Nash can be reached at knash@cio.com. Follow her on Twitter: twitter.com/knash99.



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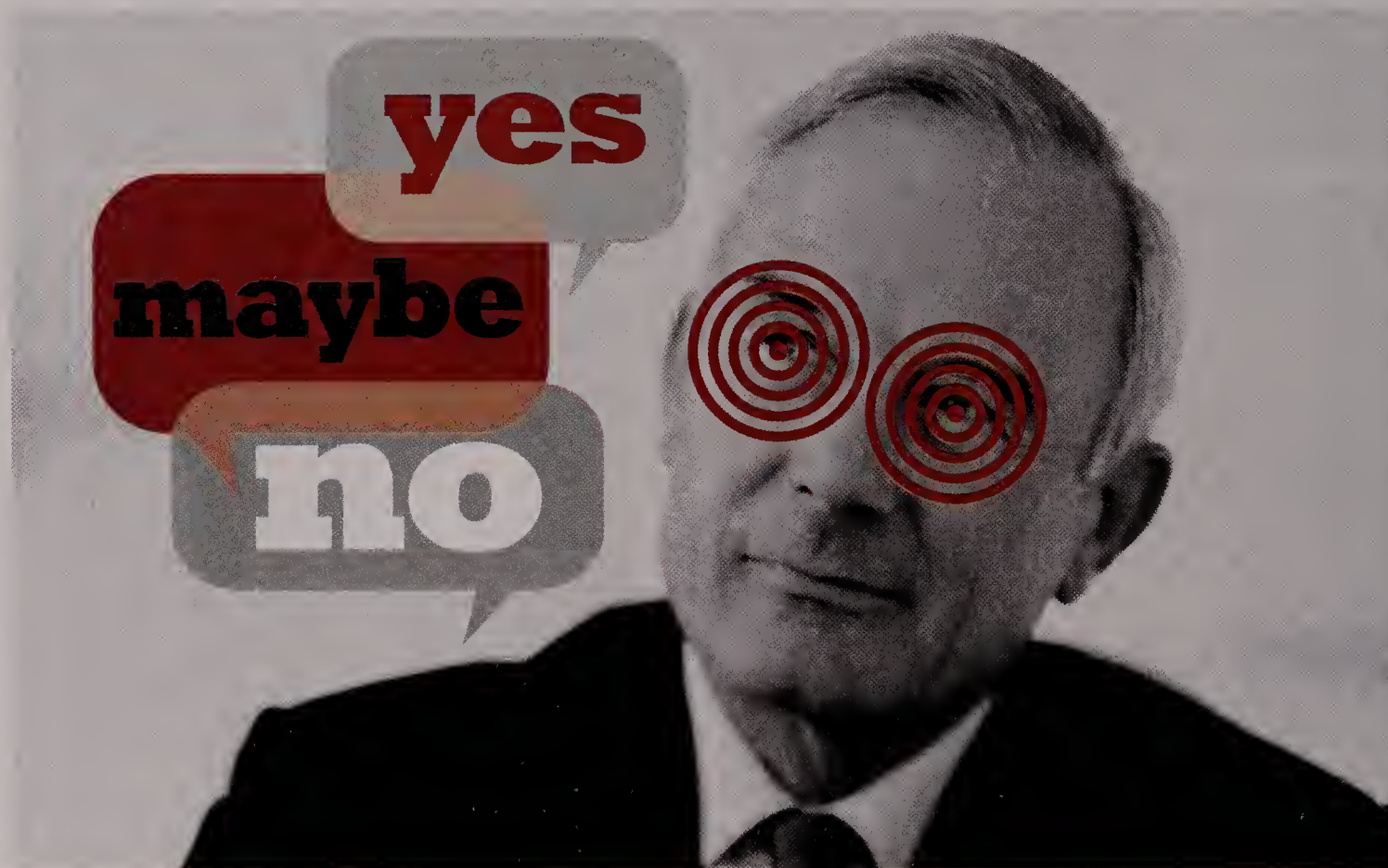


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Francis** wants
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users—not IT—to
spearhead
development
of business
intelligence
systems

SOUNDING BOARD

Decision Stewards

SCENARIO Each of Steel Dynamics' business units operates with a high degree of autonomy and has its own IT groups. When we consolidated all the financial and reporting systems last year, corporate IT had to play a more active role. We learned a lot as an organization and are now looking for new ways to collect and interpret data to help our business units make smarter decisions on their own while keeping corporate management informed. But we want to do so without rules from IT stifling each division's entrepreneurial spirit, which has been the linchpin of our success.

Before we think about new platforms, I need to develop a long-term strategy and get buy-in from all the IT groups and their business customers. But divining meaning from corporate data requires a better understanding of how the business works than ever before and, frankly, IT should probably not do this assessment. Instead, we should be information stewards—ensuring data is clean, accurate, and easily referenced. So how do we assist the business leaders to create a proof of concept that will be most useful to them? And what foundational elements, such as master data management, does IT need to have in place to move past strategy and into the execution phase? ▶▶▶

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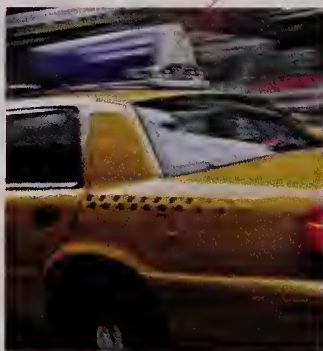
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►►► **Stewards** Continued from Page 46

ROB DAVIS, VP OF I.T., ATLANTIC AVIATION

GET FEEDBACK, NOT JUST BUY-IN

ADVICE Having a corporate culture that embraces IT means having business leaders that trust IT's ability to solve their most pressing problems. Demonstrating the value of business intelligence platforms is a perfect way for IT to earn that trust. But before we even think about sitting down with the business, we need to do our homework. Namely, we need to understand how our business works, what data we have and what solutions make sense for us.

Here at Atlantic Aviation, all newly hired IT folks spend three to four days in operational training to understand what their end users do for a living. For instance, our programmers spend time learning about the operations that their applications support and watching their software run in real situations. Other new hires work with sales staff or users of business intelligence systems. We get to know our customers' needs and then look for internal and external information that allows us to meet those needs. In one case, we were told that inclement weather often affects sales figures and flight schedules, so we looked for weather data that we could include in our analytical models. That allowed us to go to the business with a prefabricated solution as a conversation starter. Our goal is not to get buy-in on a technical solution, but to get feedback on our analytical process. Instead of asking the open-ended question, "What are you working on?" we say, "Here is the information we can display for you. Is it useful?" This way we end up having a far richer conversation because we've given the business something to react to.

KEN GRADY, CIO AND DIRECTOR OF I.T., NEW ENGLAND BIOLABS



LOOK FOR SOLUTIONS FROM UNLIKELY SOURCES

ADVICE As a part of a scientific company, I constantly find parallels between the work our genetic biologists do and what we hope to do with business analytics: namely, discover a cause-and-effect relationship based on a set of variables.

When framing my approach in those terms, I do not limit our team to what my competitors or life sciences industry peers are doing. Instead, we look for solutions to common analytics roadblocks: finding the right problems to solve, handling data efficiently and providing analytics capabilities that are easy to use. For example, when the focus was on identifying ways to increase sales, I've looked for best practices from companies such as Amazon or Netflix on how I might use customer interaction data to make better product recommendations. When crunching large data sets was the concern, I reviewed large-scale research projects such as SETI (the Search for Extra-Terrestrial Intelligence) for ideas. Since I am very interested in how end users interact with information, I also look for systems that allow them to form their own questions and discover and engage with data in real time.

I do not spend too much energy focusing on traditional information-governance techniques such as master data management. The juice simply isn't worth the squeeze most times. Instead, I focus on our information architecture, and how to make data "discoverable" and connect disparate data wherever it resides.

TAKE Note

Packaging Your Career

CALL IN Join the CIO Executive Council's Executive Women in IT community for this webcast featuring practical tips on managing your career in today's marketplace, including broadening your current set of responsibilities and looking outside the company for a new challenge. Female IT leaders will discuss how advancing your career is more about getting to the place you ultimately want to be than just moving up the corporate ladder. council.cio.com/WEB312

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DOWNLOAD The Council's Peer Intelligence case studies combine details about members' initiatives with global benchmark data. They are designed to help leaders validate investment decisions and provide information gleaned from firsthand experience with initiatives that are important to companies today. The reports cover business intelligence, cloud, customer relationships and service, desktop virtualization, ERP and mobility. They include information on business benefits and goals, time to implementation, staffing needs and challenges, the investment required and the vendors used. This complimentary report, available for download, explains how insurance company Seven Corners reduced its IT support costs and increased sales and efficiency through its desktop virtualization initiative. council.cio.com/DL312

Enhancing Healthcare

WATCH Check out these three online videos to learn more about how Blue Cross Blue Shield Association CEO Scott Serota and CIO Doug Porter are using business intelligence and the new Blue Health Intelligence company to move the association and the healthcare industry forward (see "Healthier Intelligence," Page 50). These are part of a series of Council video interviews where CEOs and CIOs at top companies talk together about their partnership and the transformational value that IT brings to their business. council.cio.com/VID312

VIEWPOINT



Benny Kirsh

VICE PRESIDENT AND CIO,
INFOBLOX, INC.

Benny Kirsh, vice-president and CIO of Infoblox, previously held several Executive CIO positions and was directly responsible for the successful implementation of major transformation projects. As CIO of The Cooper Companies, he led a team of IT professionals and was responsible for all Global IT strategic planning and execution. Prior to that, he was the first CIO at Kyphon, where he was responsible for building a growth-focused IT foundation.

FOR MORE INFORMATION on leveraging IT automation to gain faster time to value, check out the Webcast **"The CIO's view: Time to Value through Automation"** at www.cio.com/webcasts/infobloxvalue

Infoblox 

CIO
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The CIO's View: Delivering Time to Value Through Automation

In August 2011, Benny Kirsh was named VP and CIO at Infoblox, an industry-leading developer of network infrastructure automation and control solutions. With more than 25 years of experience, Kirsh is responsible for driving strategic advancements via the company's IT infrastructure and applications. Now more than ever before, IT professionals like him are being asked to deliver strategic value by responding quickly to dramatically changing business demands. But in today's tight economy, they must do so with flat budgets and staffing levels. IDG recently sat down with Kirsh, who explained how corporations can meet those conflicting business imperatives.

Time to Value has become a catchphrase in IT today. What does the term mean to you?

Traditionally, IT has enabled companies to change the way they do business. Investments in IT were high, with cutting costs and a positive ROI as the main objectives. Now,

They expect the same level of responsiveness from IT. Second, technology is becoming more complex, so we must constantly simplify the management of our systems. Third, because of changing business needs, IT is required to do more with less. And finally, we are expected to provide a high level of quality solutions fast enough to support new business initiatives. Balancing all these different drivers requires us to be more creative and innovative.

How is automation beneficial in improving your ability to deliver Time to Value?

Automation speeds up Time to Value. The biggest benefit is to the network. Infoblox's solution successfully reduced the complexity of our network and consolidated all the information gathered from different network devices and different vendors onto one pane of glass for our network engineers to work with. In the past, experienced network engineers had to perform routine, time-consuming mainte-

"Automation is key to realizing faster Time to Value."

the focus is on getting projects done faster, meaning shortening lead times and responding to changing business needs speedily. With businesses promoting themselves in dynamic ways, IT has to be agile enough to accommodate rapid changes. In the past, a rollout of solutions was a periodic event with long lead times. Today, public and private clouds and the consumerization of IT have changed expectations. So for us CIOs, Time to Value means rolling out systems and new solutions faster with shorter lead times — while remaining focused on cutting costs. As a business partner, IT has to understand the needs of the business and stay ahead of the curve, introducing new technology as needed and being a catalyst for change within the corporation.

As a CIO, what are the challenges you face in delivering Time to Value?

The four challenges are quite clear. First, business units' expectations are increasing. During lunch, employees download an app from the cloud for \$50, and they are up and running.

nance activities, such as upgrades or bug fixing. Increased automation lets us hand these tasks to our junior engineers and/or the IT support group, freeing up senior staff to work on more strategic initiatives. That drives costs down and delivers a better Time to Value.

Please tell us about your experience implementing automation at Infoblox.

By embracing the private cloud for speedy deployment of computer power, we are providing the Engineering department with the capability of self-provisioning virtual servers without IT involvement. Using the private cloud in IT, we recently deployed a new reporting tool that would previously have taken weeks. Now, thanks to virtualization and the automated provisioning of IP addresses provided by the Infoblox solution, it took just days. The move from manual processes to self-provisioning has enabled the IT team to support our organization's changing business requirements. Automation is key to realizing faster Time to Value.



Senior VP and CIO Doug Porter, and President and CEO Scott Serota

BLUE CROSS AND BLUE SHIELD ASSOCIATION

Healthier Intelligence

Blue Cross parent company harnesses 3.5 billion data points to improve outcomes and freeze costs

Scott Serota Healthcare in America is rapidly becoming an information-based business. Experience-based medicine, evidence-based, whatever terms you use, it's all based on information. Part of our mission is to take the raw data from our 38 Blue Plan affiliates, who serve one out of every three Americans, and make that information acceptable and accessible for decision making.

We're the logical source for that information, and the organization we've formed to collect, protect and process it—Blue Health Intelligence (BHI)—will be a principal focus.

Creating a warehouse with 3.5 billion pieces of data was the easy part. The hard part is turning that into actionable information and insights that will improve the quality and

delivery of care, ultimately bending the cost curve in America. For example, we have found insights about the efficacy of knee and hip replacements and how they vary by protocol, and what could be done to improve them.

Doug Porter Understandably, there was an insatiable demand placed on this asset. The answer to

one question seemed to trigger 10 more. We had engineered a pretty robust system, but we started to fail the expectations of the end users because of the complexity and volume of the queries. We turned our technologists loose on the problem, and the solution was essentially a columnar search appliance that gave us exponentially larger capacity.

Serota We've also created an environment where the affiliates themselves can access and ask questions without coming to us. This ability for technologists, analysts, business executives and healthcare professionals to all come together to solve a problem is really the power of this tool.

Porter It's almost like a social network, in some respects, in sharing the insights and garnering the next set of questions that lead to insights that have a material use in the business.

Serota I hired Doug as our CIO to shore up our infrastructure and our transactional processing. As we got better acquainted, and as he got better acquainted with our organization, it was clear that he brought a unique set of skills that made it a logical extension for him to run the startup of BHI.

The role of a CIO in healthcare is radically different than before. It used to be that you were support, making sure the transactions worked. Now you're becoming a vital business partner as an information provider and a co-owner of the business processes. It's a very aggressive leadership role that I expect from Doug and his folks, and our transformation efforts wouldn't work without that.

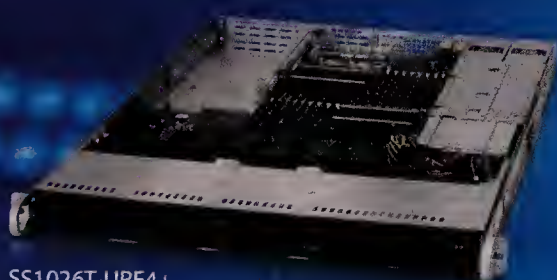
As told to CIO Executive Council Editorial Manager Diane Frank. View a video interview with BCBSA's CEO and CIO at www.enterprisecioforum.com.

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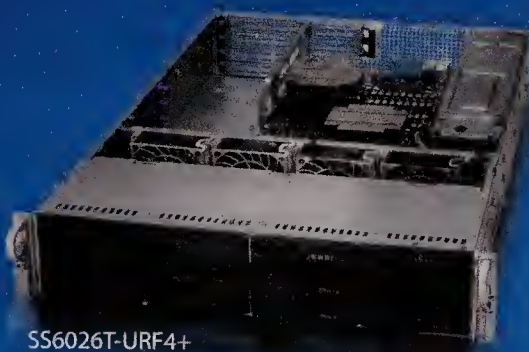
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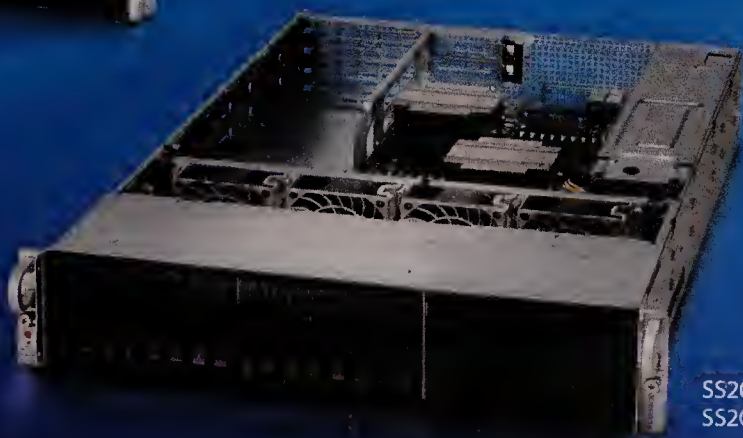
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Friends, Not Foes

When bringing a business element into their IT teams, CIOs must work with staff and users to set the stage for success **BY MARTHA HELLER**

It's a tough time to be a CIO. The widespread glee over consumer technology has created your most demanding customers yet. The ease with which business leaders can adopt cloud services means less clout for your centralized IT structure. And the aging IT workforce means fewer bodies to do the additional work. Masochist that you are, no doubt, you love these new challenges, but you still need tools for dealing with them.

Meet your most powerful weapon in the fight for IT-enabled business value: the technology-savvy business person. If you haven't begun to entice these exotic animals into your IT lair, you'd best start now. Having business people on your staff will give street cred to your entire IT organization, will teach business acumen to the rest of your people and, when these workers are exported back into the business community, will increase the entire company's friendliness toward IT.

Josh Jewett, CIO of Family Dollar, recently reached into his company's merchandising procurement organization and plucked out a new vice president of business services to head up his business-facing IT teams. He offers some advice:

Pre-empt IT anxiety. "It will not be immediately obvious to your IT staff that this is a good idea," Jewett says. "They will ask a lot of questions like, 'Why him and not one of us? What does this say about your faith in IT people?'"

While these voices may be in the minority, Jewett still recommends you head off concerns before they arise. "Let your IT staff know, early on, that this presents an opportunity for them to learn new, transferable skills, like effectively communicating IT concepts to business leaders," says Jewett. "And that those skills will be invaluable throughout the rest of their careers."

At United Natural Foods, the IT organization has been recruiting relationship managers and analysts from the business for years. But with a new supply-chain-management system in development, they have recently stepped

it up, with the blessing of their peers. "Sometimes the business offers up these key resources as a way to assist us in enabling them to be successful," says Josh Sigel, vice president of operations and innovation at the specialty food distributor. "You can't get much closer to operations than by bringing in people who have been on the shop floor."

Make a clean break. These front-line employees cannot make a difference without some help, however. Business people new to IT may be a little discomfited by how comfortable their new colleagues are with throwing around terms such as ITIL, SOA and ESB, Sigel notes. The fact that their former business colleagues still rely on their guidance can also make it hard for your hires to throw themselves headlong into their new jobs. "You need to work with them on a clear transition plan, and they need to stick to it," says Sigel.

Nick Coussoule, CIO of BlueCross BlueShield of Tennessee, has hired business people for IT positions before and recently returned to that well to find a vice president of business engineering and continuous improvement.

Give equal opportunity to all constituents. Coussoule's new VP had been running the company's Medicare business, and "he needed to demonstrate that he understood and would fairly represent the entire company's interests," says Coussoule. "Right away, he set up specific times to sit down with each business and talk through goals and expectations. That went a long way toward showing everyone that he was wearing a new hat." He also set up regular meetings with leaders in the IT organization, with a similarly positive result. "You can't be viewed as 'only IT' by the business or as 'only business' by IT," says Coussoule. "That's critical to success in these hybrid roles."

Bring business people on to your staff to provide credibility, teach skills and increase the IT-friendliness of your company.

Martha Heller is author of the upcoming book *The CIO Paradox* and president of executive recruiting firm Heller Search Associates. Follow her on Twitter: twitter.com/marthaheller.

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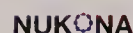
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Holy Craps

When guests sit down to gamble at the Venetian Hotel in Las Vegas, they may be tipping their hand to employees via the casino's loyalty-card program. The cards can be ordered for free from the casino's website and grant pit supervisors access to a slew of data when they're scanned using touchscreen PCs at gaming tables. Card-toting customers can earn points on games and purchases made within the hotel or casino and redeem them later for slot credits or hotel stays. The cards carry information such as games played and money spent, allowing pit supervisors to make gaming recommendations that might improve the customer's experience in the casino and encourage additional spending. Manjit Singh, CIO of Las Vegas Sands Corp. (the parent company of five casinos, including the Venetian), hopes to add further points of access to its loyalty program by giving employees handheld mobile devices that can be used to sign up new members or assist current users wherever they are at the resort.

—Lauren Brousell

PHOTO BY THINKSTOCK



21st century school district. \$71 million in energy savings.

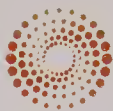
A high-quality, safe and secure academic environment—that's what Buffalo School District in New York is creating for its 34,000 students. Partnering with Johnson Controls, Buffalo embarked on a massive project to reduce energy costs and modernize its 65 facilities.

The improvements include retrofitting lighting, and heating, ventilating and air-conditioning equipment; and installing a district-wide fire and security system—all integrated, managed and controlled by Johnson Controls' Metasys® building management system.

The result? Buffalo School District is expected to reap \$71 million in energy savings over the next 20 years. Through a performance contract with Johnson Controls, Buffalo is using its savings to help offset the cost of creating a 21st century academic environment—providing state-of-the-art technology and comfortable facilities that work better for students and teachers alike.

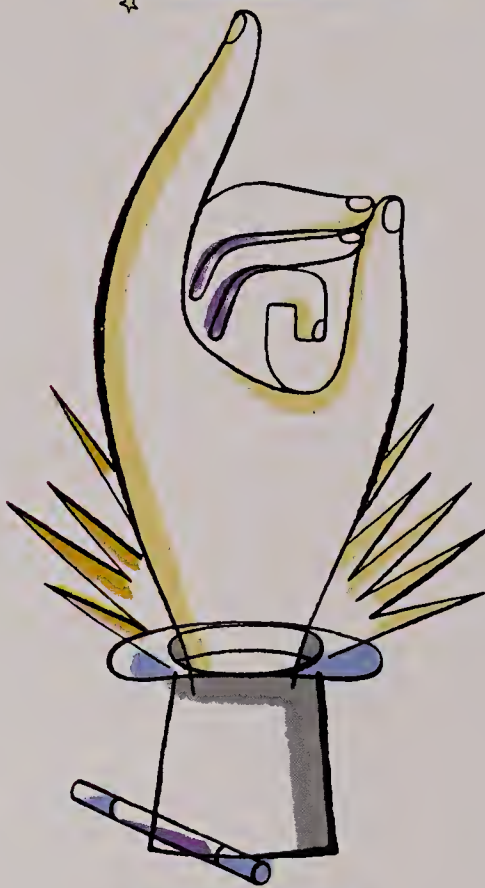
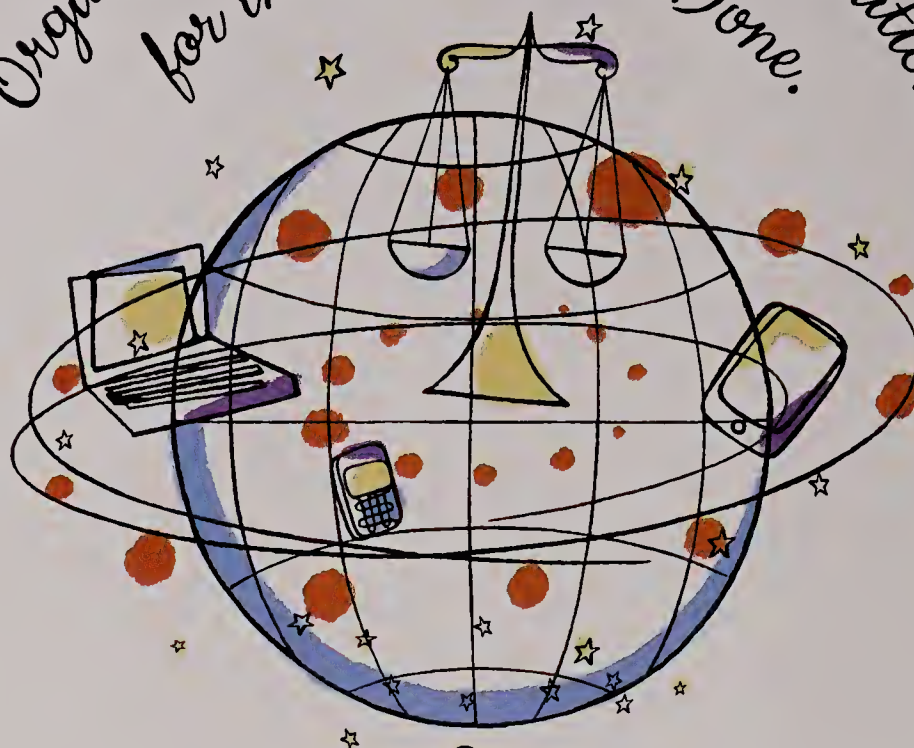
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